FINANCIAL TIMES

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News Summary

GENERAL

Faulkner plea as violence simmers

As violence broke out afresh in Belfast, Ulster Premier Faulkner appealed again for Party unity and warned there was an increasing danger of "war weariness" in Britain leading to pressure for Ulster to be abandoned to "chaos."

The new trouble came in Belfast's Markets areas. Twenty machine-gun shots and five rifle rounds were fired at Army patrols and two nail bombs were thrown. No casualties were reported but a crowd of over 100 was building up. At Paisley Park, a bomb blast which damaged a sports pavilion was heard all over the city. One woman was injured.

Bomb probe

In Durham Street, Army experts were examining the wrecked pub where a blast killed a woman and injured 19 other people. Police last night still had no theory about who placed the bomb, but admitted that the attack on the Catholic-owned pub may have been in retaliation for the blowing up of a Protestant pub a fortnight ago. The Army also reported finding a large quantity of bomb-making equipment and arrested three more IRA suspects.

Peace rally

Meanwhile, over 3,000 people attended a peace rally in the city's Botanical Gardens organised as a result of an anti-violence petition which gathered 3,000 signatures.

In Monaghan, six miles inside the Irish Republic, militant Republicans and activists from Ulster met to plan a new Ulster Parliament proposed by the IRA Provisionals. Back Page; Page 8

SPD victory in Bremen

Social Democrats made striking gains in Bremen State elections to regain the absolute majority in the State Parliament they lost four years ago. The SPD's vote share rose to 55 per cent., from ... per cent. four years ago. The Christian Democrats also made gains, to just under 32 per cent. from 29½), while chief casualties were the far Right National Democrats, who lost all their seats, and the Liberal Free Democrats, whose vote share was cut to 7¼ per cent. from 10¼.

The size of the victory surprised the SPD, which will claim it as a vote of confidence for the Ostpolitik.

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Hospitals cool to 'guineapig' claims

Two London hospitals reacted coolly to allegations on Radio 4 by Harley Street doctor Maurice Pappworth that experiments were being conducted on patients in British hospitals and that Hammersmith Hospital and Royal Free Hospital were the "worst offenders." A Royal Free Hospital spokesman said the allegations were "entirely without foundation" while Hammersmith refused comment.

Migrant law

New immigration laws are being extended to allow immigrants who must register annually to do so at employment exchanges, rather than police stations. Page 4

Bridge reopens

London's Lord Mayor, Sir Peter Studd, reopened 140-year-old London Bridge on its new site: across the Colorado river at the ... Lake Havasu City, Arizona. A crowd of about 50,000 watched the ceremony, at which 3,000 pigeons were released. The bridge was bought for about ... two years ago and has taken ... that time to be transported and reassembled.

Hirohito: last stop

Emperor Hirohito and Empress Nagako, who yesterday spent a ... day in Switzerland after a turbulent Dutch visit, will leave Lausanne to-day for Bonn ... the seventh and last stage of their European tour.

Briefly . . .

...: Five people were recovering from injuries received when a stand collapsed as they were watching Gary Player beat Jack Nicklaus 5 and 4 in the Piccadilly Championship at Wentworth. Ben Wright, Page 3

Premium Bond KB 939298 won this week's £25,000. The winner lives in Cheshire.

... Sorensen of Walthamstow, former Labour MP for Leyton, ... died aged 80.

Promoters of the first Australian production of *Oh! Calcutta!* have abandoned it when Sydney police arrested the entire cast on indecency charges.

BUSINESS

CBI is to vet details of VAT

● VALUE ADDED TAX details are to be examined by a special committee set up by the Confederation of British Industry. The CBI lists three points of principle which have arisen in discussions with the Customs and Excise. It believes that VAT "principles of neutrality" would be infringed by the wide range of items which tax officials want to disallow for credits; and that it is wrong to disallow all of a legitimate expense merely to forestall possible evasion of a small part. The CBI says much double taxation would result if relief was withheld for purchase tax already paid on stocks of goods at the changeover to VAT, as stocks would be run down, with bigger loss to the revenue than if relief was granted.

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● COMMON MARKET ENTRY should bring greater benefits to Britain than the Government has estimated, according to a study by Dr. Edwin Truman, of Yale University, and Dr. Stephen Resnick, of New York University. Using their own econometric model, based on 1953-68 trade flows in Europe, they suggest that instead of the deficit forecast in the 1970 White Paper the balance on non-food items is more likely to show a substantial surplus. They produce figures taking into account three possibilities on the future position of EFTA "neutrals."

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Airbus ideas for Thomson

● ORDERS FOR THE A-300B European airbus are a possibility being studied by Thomson Organisation travel interests for charter work. Britannia Airways would own the airbuses and Thomson Sky Tours would use them. Thomson executives in Cannes for the Association of British Travel Agents' conference took a trip to Toulouse to see the airbus under construction. Thomson Holidays managing director Mr. Brian Llewellyn said the airbus could meet the tour operator's needs of the mid-seventies for the increasing inclusive charter holidays.

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● THE COAL BOARD will to-morrow reply to the £120m. pay claim for 290,000 miners. This would raise minima by £8 a week to £26 for surface workers and by £9 to £28 for underground men, with adult rates from 18 instead of 21 and a £35 minimum for men working under the National Power Loading agreement. Board chairman Mr. Derek Ezra has warned of serious consequences if coal prices are pushed up faster than those of other fuels.

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5m. General Motors cars 'have defect'

● 5m. GENERAL MOTORS cars may be dangerous because of defective engine mounting, says the U.S. Government agency, the National Highway Traffic Safety Administration, which is to issue a warning to owners of the cars affected: 4.9m. full-size Chevrolets made 1966-69 and 700,000 (smaller) Camaros. General Motors—reported already to be paying for repairs arising from the defect—says it has a device to check deterioration of the engine mounting.

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● JETHOU, TAX-FREE ISLET of 45 acres and the smallest inhabited of the Channel Islands, is for sale—leasehold. The lease, at £100 rental to the Crown, has 24 years to run.

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● JAPAN, AS THE BIGGEST steelmaker in the world by 1980, would by then generate 75 per cent. of demand for iron ore and coal sea transport and would thus dominate the level of bulk-cargo freight rates, says a Maritime Transport Research report. By 1980, the report adds, Japan's iron ore and coal imports are likely to grow by 160 per cent. Page 8

● U.S. TREASURY BILL rates fell to their lowest since May at: Three months 4.486 per cent. (4.534 last Monday) and six months 4.595 per cent. (4.743). The figures were issued early: it is Columbus Day in the U.S. to-day.

Now it's up to Davies, says McGarvey

UCS: crucial talks to-morrow after union concessions

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, October 10.

The fate of shipbuilding on the Upper Clyde is almost certain to be decided on Tuesday night when Mr. John Davies, Secretary for Trade and Industry, has yet another meeting with top union officials and UCS shop stewards in London.

"It is the crunch day as far as we are concerned," said Mr. Dan McGarvey, the top union negotiator, to-night after a meeting lasting 4½ hours in a Glasgow hotel. Mr. Davies said later at his Cheshire home that he could not immediately answer Mr. McGarvey's request for guarantees. "I shall have to listen very carefully to what Mr. McGarvey has to say on Tuesday. A great deal will depend on what I hear from him," he said.

For the first time, the unions have made significant concessions. They agreed to negotiate with Govan Shipbuilders, the new Government-backed company, on wages and working practices on the basis of only three units—Govan, Linthouse and Scotstoun—in the hope that a buyer may be found for the Clydebank yard.

On his part, Mr. Hugh Stenhouse, chairman of Govan Shipbuilders (who cut short an Australian business trip to be present at to-day's crucial meeting), declared not only that he was not bound by the White Paper embodying the recommendations of the Government's "Four Wise Men" but that he would require a "substantially larger" work force than the 2,500 envisaged in the White Paper.

Mr. Hugh Stenhouse

Tuesday's meeting with Mr. Davies will be vital in another, important respect. Mr. Liam Furlong, general manager of Irish Shipping (whose request for quick Government action and guarantees in respect of four contracts not yet started sparked off the immediate crisis) said he could not wait much beyond Tuesday for a decision on whether to build the ships on Upper Clyde.

If keels for at least two of the bulk carriers are not laid down at the Govan yard in the next few days, about 750 steelworkers would have to be paid off before the end of the year. Mr. Robert C. Smith, the liquidator (who also attended to-day's meeting), confirmed that he could only authorise expenditure on materials and wages if the Government guaranteed the funds.

At the same time, Mr. Furlong was flying back to Dublin in a much more hopeful mood. He, like Mr. Stenhouse, saw "significant progress" being made towards a working relationship between the new company and the work force.

This is especially true in view of the shop stewards—who had always insisted on UCS being kept as one group—now openly agreeing to the three-unit arrangement, with Clydebank being disposed of separately.

Study planned

Mr. Stenhouse repeated that the Scotstoun yard which was outside his original brief, would only be added to Govan and Linthouse if it was justified by the feasibility study to be carried out shortly.

Continued on Back Page

London to hold its hand after Moscow's reprisals

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

BRITAIN seems unlikely to take any reprisals for the moment against the Kremlin for the measures announced on Friday. Foreign Office thinking is that, although Anglo-Soviet relations have been strained in a number of significant areas, there is no reason why the dialogue should not be resumed after a pause of some months.

The Russians, in their note demanding the British expulsions and cancelling bi-lateral meetings, made it plain that "it is entirely up to the British side" to see to the restoration of normal relations. Since, however, it is the Russians who have cancelled the Foreign Secretary's invitation to visit Moscow (which has been on the table for just over a year), Whitehall argues that it will be up to them to say sooner or later that the invitation is once again open.

Likely timing

This could happen in the spring, when the moves—from East and West—towards the European Security Conference that Moscow so much wants are likely to gather momentum. Britain has given its support to suggestions in NATO that such a conference could be held by the middle of next year.

But Sir Alec Douglas-Home, the Foreign Secretary, will almost certainly be attacked for his handling of the affair so far when Parliament resumes next week. The Soviet authorities, in their turn, will make much of the Labour Opposition's thesis that the Government has obstructed progress towards détente.

Meanwhile, so far as the expulsions of present and former British Embassy staff are concerned, a certain logic has emerged in the Soviet action. Many of those concerned were or had been members of the Foreign Office's so-called Russian Secretariat which uses diplomats in London and Moscow, sometimes on secondment, to study internal developments in the Soviet Union.

These developments include the Soviet economy where, despite statistics showing a high growth rate in carefully selected areas, there have been serious infrastructure problems. Production fell short of originally stated targets in a number of important industries last year, and the Russians would obviously prefer not to have too many well-qualified analysts obtaining first-hand knowledge of how and why this had occurred. At least two of the British diplomats expelled earlier this year worked in this Secretariat.

But since no ceiling has apparently been placed by Moscow on what should be the establishment of the British Embassy there, it seems likely that those just expelled will soon be replaced. Partly on this assumption, it does not seem likely that Britain will be replying immediately to the Soviet note.

The effect of the Soviet measures on bilateral trade, already considered rather unsatisfactory from the British point of view, remained unclear last night. The expulsion of Mr. Vladimir Haltingen, a resident representative of Rank Xerox, will be the test case here.

This company has supplied the Soviet Union and the rest of Eastern Europe with millions of pounds worth of sophisticated electronic equipment which they would not otherwise be able to obtain. It is also understood to have been in the running for a substantial sub-contract on the huge Kama River lorry project—where Soviet sources were saying last month that the British "spin-off" could be well over £40m.

Some of this "spin-off" may now be lost, but the Soviet negotiations with Rank Xerox, which were at an advanced stage in a number of intricate areas, will be allowed to continue. The same goes for bilateral talks involving advanced British know-how of interest to the Russians.

Talks possible

A number of working groups, operating under the 1968 Industrial Co-operation Agreement, and others started before the establishment last January of the Inter-Governmental Trade Commission, may thus continue to meet, albeit in a very chilly atmosphere. The interest shown by the Russians from now on could well be a barometer of their real intentions on political and other fronts.

But Britain has much leeway to make up in its trade with the Soviet Union. Even before this dispute erupted, the growing imbalance was causing concern in Whitehall, particularly when it was known that in other areas of the world Britain was proving a highly competitive exporter.

British sales to Moscow, in the first eight months of this year, stood at £53.9m., while imports had reached £123.6m.

Why Moscow is still talking to everyone; Page 25

Tory plan for criminals to compensate victims

BY RICHARD EVANS, LOBBY CORRESPONDENT

GOVERNMENT PLANS for meeting the growing concern in the Conservative Party over law and order will be revealed in this week's party conference at Brighton by Mr. Reginald Maudling, the Home Secretary.

They will include a Criminal Justice Bill in the new session of Parliament which will contain provisions compelling criminals to reimburse their victims.

This will enable courts to declare criminals bankrupt so that their assets can be taken over as compensation.

The intention is to end the present situation which allows a criminal to hide stolen cash or goods, serve a sentence shortened by remission and parole, and enjoy the results of his crime after leaving prison.

It will go only a limited way towards placating the anxieties of the rank and file and there are signs that Mr. Maudling will be under severe pressure to go much further.

Major debates

There will, for example, be an amendment during the law and order debate on Wednesday, calling for the re-introduction of the death penalty for the murder of police and prison officers. The amendment is an attempt to force the issue of capital punishment to a head, and it will be difficult for the conference organisers to ignore it.

Mr. Maudling will be firmly against the restoration of capital punishment and his speech will attempt to meet the rising pressure in the party for much tougher measures to be taken against criminals.

Also on the opening day will be the major debate of the week on Common Market entry. A vote will be taken at the end of the debate and the Government will inevitably receive an overwhelming majority in favour of the terms negotiated by Mr. Geoffrey Rippon.

The other major debates will be on economic policy and taxation, industrial relations and trade, industry and employment on Thursday; and housing, social security, transport and environment on Friday. The Prime Minister's speech winding up the conference will be on Saturday morning.

Bonn may ease credit policy this week

BY MALCOLM RUTHERFORD

BONN, Oct. 10.

THERE IS a strong chance of a fairly major relaxation in West German credit policy when the Bundesbank Council meets on Wednesday for the first time since September 22. There is agreement here that even if no announcement is made this week, a decision to cut the discount rate and lower minimum reserve requirements can no longer be much delayed.

In preparation for Wednesday's meeting Dr. Karl Klasen, the Bundesbank president, will see Chancellor Brandt to-morrow to review the economic situation. Both Dr. Klasen and Prof. Schiller, the Economics Minister, have recently given firm hints that some relaxation of policy is on the way, and there is every reason to believe that Herr Brandt will want them to get on with it as soon as possible.

Cooling

The economy is now at last clearly cooling down, with a fall in new orders and a slight rise in unemployment. But the general fear is that if the Bundesbank does not promptly adapt its credit policy to the new situation, all the long efforts to control the boom will result only in the bringing on of recession. Both the Economics Ministry and the Bundesbank are hypersensitive to this charge—which seems to indicate that action will be taken.

According to some observers measures might well have been taken last month, but the Bundesbank first wanted to await the outcome of the annual meeting of the IMF.

The discount rate has been at 5 per cent. since the beginning of April, having been steadily reduced from a record 7.5 per cent. in July last year. All earlier cuts, however, were made for external reasons in order to limit the inflow of dollars from abroad. Since the floating of the D-Mark in May these pressures no longer apply, and the Bundesbank is able to claim that it has regained some of its autonomy in credit policy.

The Lombard rate (at which the Bundesbank lends to the commercial banks against a collateral) is 6.5 per cent. This too is a candidate for cutting, perhaps to the extent of restoring the more normal relationship of being only one percentage point above discount rate.

The third candidate is the minimum reserve requirements which regulate the interest-free deposits the commercial banks are obliged to place with the Bundesbank. These were raised only in June with the intention of taking about DM 5,000m. out of the economy, though in fact they took out nearer DM 7,000m. Any cut, designed to increase liquidity again, would be likely to go into effect on November 1.

Non-banks Bill

The Government is meanwhile making relatively slow progress on the promised legislation to make it more expensive for German non-banks to borrow abroad. Known as the *Bardepotgesetz*, the draft law will be discussed by the Cabinet on Wednesday, but is still subject to changes and is unlikely to be enforced much before the New Year.

The law will in effect make non-bank borrowing abroad subject to minimum reserve requirements. The Government will be entitled to order that up to 50 per cent. of any such borrowing be placed in a frozen account with the Bundesbank. This again is part of the attempt of the German authorities to regain credit policy autonomy.

ON OTHER PAGES

WORLD STEEL: Twelve special pages (13-24)

New York to see 'Raphael' discovery

BY JUREK MARTIN

NEW YORK, Oct. 10.

A DEVELOPMENT of significance for the art world will take place in New York to-morrow, the Financial Times has learned, when a leading art dealer here will formally put on display what is claimed to be a major work by Raphael, officially "lost" for over 100 years.

Present owner

The work—a portrait of Duke Lorenzo de Medici probably painted in 1518—now belongs to Mr. Ira Spanierman, a familiar figure in New York art groups. He acquired it about three years ago at an auction here, when it was merely described as a painting by an anonymous 16th century artist, in which guise it had been shuttling back and forth between Europe and the U.S. since 1862, when its identity as a Raphael was last officially recognised.

Although Mr. Spanierman refuses to talk about the matter prior to to-morrow's events, it is believed that he may have paid as little as $1,000 three years ago for a painting which, if its authenticity remains unchallenged as it has been to date, is worth a great deal more. It is also believed that Mr. Spanierman picked up the work at an auction in New York conducted by Parke-Bernet, the American affiliate of Sotheby's in London.

No dissent

Although reference to Mr. Spanierman's Raphael has appeared in one scholarly fine arts publication, its existence is nothing like common knowledge. This is certainly the case in New York, where, on Friday, I spoke to some half-a-dozen representative fine art dealers only one of whom had any inkling that Mr. Spanierman had a Raphael up his sleeve.

Most of the past three years have been spent authenticating the work—the majority of it in Europe, where most Renaissance experts are to be found. Sir John Pope-Hennessy, director of the Victoria and Albert in London, is believed to have seen it and approved it, while Konrad Oberhuber, of the Albertina Gallery in Vienna, is also known to be satisfied with its pedigree. So far no dissenting voice appears to have questioned its genuineness.

Mr. Spanierman is the son of a New York art auctioneer and has continued the family business with a gallery off Madison Avenue. A number of art dealers here observed on Friday that he had in recent years been devoting much greater attention to Old Masters.

He is also something of a celebrated "insider" in the closely-knit New York art world, but he was also described to me as being both "shrewd and knowledgeable" and "young and active." One dealer commented: "The burden of truth would be on him to show attribution (of the painting) and Spanierman wouldn't make a claim like this if he couldn't back it up. It would ruin him."

The portrait of Duke Lorenzo de Medici is on canvas and measures 99.5 by 81 centimetres. According to Oberhuber, it is close in style—and therefore date—to Raphael's well-known works, Leo X and the self-portrait generally known as "The Fencing Master." Oberhuber in fact pins the date down to January, 1518.

Overpainted

Mr. Spanierman is expected to give more details about the painting's history to-morrow, but it would appear that it was fairly commonly known in Europe until about 1738, when it disappeared. It reappeared in Britain about 1850 and as recently as 1862 it was recognised by the noted expert Sir Charles Robinson as being the lost Raphael. However, it was so dirty and overpainted by then that there were apparently those who doubted its authenticity and in the course of this century, when it has appeared both at the Royal Academy in 1908 and at the Walker Gallery in Liverpool between 1959 and 1962, it had either been considered a copy by an anonymous 16th century artist, or a portrait of Francis I by Bronzino, or a combination of both.

The picture was for a number of years in Britain as part of the collection of Lt. Colonel A. Heywood Lonsdale, M.C.; it was transferred to an unknown private collection in the U.S., from which Mr. Spanierman acquired it when it turned up in the New York art market three years ago. Mr. Spanierman found records of past sales on the back of the canvas, was familiar with the disappearance of the lost Raphael, started cleaning it up and proceeded from there.

London view

In London Sir John Pope-Hennessy told the Financial Times last night. "It is certainly a genuine portrait by Raphael but is very severely damaged."

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Cash flow • Electricity pricing • Tariff cuts

Cash flow

Sir,—Cash Flow Accounting (Mr. Churme) and Ailing Companies (Mr. Thompson) both in your issue of October 4.

A single, static, balance-sheet cannot give the information needed to make investment decisions. You need to know the dynamics. String a series of suitably-set-out balance-sheets (for example, linking the figures back to the physical events underlying them) together, show the movements in between, and you have cash flow accounting: valuable in precisely the way a "movie" picture, compiled from a number of skilfully set out "stills," is valuable in enabling trends and movements to be detected. And these are used for projecting into the future.

At least one major British organisation has been using cash flow accounting to make investment decisions—some in very tricky areas indeed, like agriculture—round the world for the best part of 20 years now, with outstanding success. As but one example of the sort of thing that can be achieved: how many companies self-jeopardise themselves, quite unwittingly, using normal methods, by earmarking current year's profits to finance current year's asset additions? There are ebbs and flows in every business operation, many lying entirely outside the company's power to influence. There may, in the particular year in question, be no profits. Where then does the company stand? Even if good profits are earned, it can't distribute them—to the chagrin of the shareholders.

No reserves

Consider further what happens if actual losses are made. "Don't worry" management will say pointing to a nice reserves figure in the balance-sheet "we will use that." But what if this money too has been already spent on financing assets? It cannot be respent on financing losses. In such a case, whatever the balance-sheet may so seductively say, the company has in practice no reserves.

The significance of this of course is that whereas a company properly organised can sit out even prolonged periods of adversity (for example, in an agricultural project during times of drought or low world prices); a badly organised one—although still just as strong inherently on the operating side—can be tipped into cash crisis and perhaps even bankruptcy at the first sign of adversity, despite the fact that if only it could have sat out the lean period, it would be fully capable of returning to full strength again immediately things got better.

So it is, turning now to Mr. Thompson's letter, many companies, although basically strong and viable, go to the wall simply because of insufficient understanding of the forces involved in their behaviour. And, as Mr. Thompson says, it is a tragedy.

What to do about it? Much more incisive accounting techniques.

B. C. J. Warnes.
P.O. Box 43233, Nairobi.

Electricity pricing

Sir,—Your editorial Electricity Pricing (October 6) puts the responsibility for the growing financial difficulties of the electricity industry where it belongs, with the Government's unselective policies.

Few, if any, other industries have such a record of price restraint. Since 1965-66, five years, the average price per unit of electricity has risen by just under 10 per cent., whereas the total retail price index increased by three times as much. Indeed, prices of other commodities have risen by more than 10 per cent. during the last year. It is this price escalation by other industries with little or no interference by Government that has triggered unfair pressure on this, the most successful of nationalised industries.

You mention some factors outside the industry's control that make higher prices inevitable and single out as the main factor "a very sharp rise in the price of coal, its principal fuel."

The trade unions, in their evidence to the Wilberforce inquiry, dealt with this and other political and social burdens affecting the finances of the industry. These we defined as arising from decisions which placed a financial burden on the industry which would not have been made from a simple profit consideration or which treated the industry unequally compared with others.

The industry is a captive market for coal and has been politically prevented from exercising free choice of the most economic fuel. The 1969/70 CEGB annual report revealed that "Granted freedom to select the most economic fuel for new power stations and to convert existing stations from coal to cheaper fuel, the cost of generation, even with the fuel oil tax, would have been £25-£30m. per year lower than at present." With the increase in fuel costs this figure would be at least £35m. per year.

Rural electrification has cost £115m., experimental work on atomic energy £20m., conversions back to coal of oil plants at the time of Suez £13m. These were all once and for all payments but continue to affect the industry's finances through the interest charges on these capital sums.

It was difficult to quantify the unequal rate requirement but in evidence to the 1962 Select Committee the Electricity Council wrote ". . . during the period up to 1956 when industry was rated at only 25 per cent. of full value and had not been revalued, electricity was in fact paying substantially more than the whole of private industry . . ."

It was shown at the inquiry that the capacity carried to meet exceptional peak demands, if calculated only from a profit consideration was excessive and represented at least £100m. of idle capital, and probably far more.

We have argued that the troubles of the 500 MW generating units arose in part from the CEGB's willingness to accept another social burden, the continuity of orders to the plant manufacturers. Whatever the reason, the non-availability of these units due to faults has cost the industry at least £100m. per year in fuel costs alone, not to mention the interest charges on at least £200m. worth of idle generating plant.

I would make it clear that the unions in the industry support and have supported:—rural electrification—experimental nuclear work—the burning of coal—a proper margin of capacity. But these are of benefit to the whole community and the costs should rest with them.

The industry faces another wage claim for its industrial staff. Their record stands out from an otherwise gloomy report. With 7.4 per cent. less manpower they handled 5 per cent. more generating capacity and served 240,000 more consumers—a productivity record that continues to be far ahead of the average industry. I hope that all these facts will not be forgotten by those responsible for the reporting of our claim during the coming months.

Frank Chapple.
General Secretary, EEPU.
Hayes Court West,
Common Road,
Hayes, Kent.

Slow billing by LEB

Sir,—In view of the forecast increases in electricity charges in London, it would be interesting to learn how much it costs the London Electricity Board in interest because of its slow billing of consumers. I find that there is a delay of five to six weeks after meter reading before receiving the account, which may mean that the Board has to borrow at least two months' money.

In a recent accounts query with the LEB involving a nearby showroom, the area accountant admitted that branch stock accounting is not used, again indicating a lack of normal financial control. An independent audit of internal systems and staffing levels may do much to eliminate the reported losses.

M. R. Byrt.
48, Grosvenor Gardens,
Woodford Green, Essex.

Selective tariff cuts

Sir,—If the Treasury, in view of its latest instalment of exchange controls, is manifestly anxious to dampen down the upward floating pound, and should rightly be concerned to avoid further charges, in the words of the German Economics Minister (your report, October 7), of adding more "pollution" to an already "dirty" floating system, perhaps this is the time to take another look at Mr. John Davies's proposal, pigeon-holed with almost indecent haste when it was aired earlier this year, of selective tariff cuts.

Apart from preventing the £ from becoming too big for its boots—and for the health of U.K. exporters—in the short and, above all, longer run, this would underpin the Government's policy of faster growth without running the risk of added inflation (or leaving most of the anti-inflationary work to the—now distinctly more optimistic—CBI), besides indirectly aiding exports. Not least in the present context, it would set an example which others might be encouraged to follow, and so help to heal deeper wounds elsewhere.

W. Grey.
12, Arden Road,
Finchley, N.3.

Cause of wage inflation

Sir,—Sir William McEwan Younger (October 5) does well to remind your readers (and perhaps your leader-writers) that the acceleration of wage inflation is largely due to the failure of Labour's efforts first to invite and then to impose an "income policy."

Between 1965 and 1970 there were six phases in this verbal manipulation of hypothetical incomes ranging from "complete standstill," "zero norm," "no norm," up to a "ceiling" of 3½ per cent. to 4½ per cent. Yet throughout this period, earnings in the real world seldom rose by an annual rate of less than 8 per cent. In six months leading up to the 1970 election the annual rate rose to above 12 per cent.

As Sir William pointed out, the lesson trade unions learned was that they did best by throwing their weight about and that they had more power than they had imagined to win the day—at least in the short run. The lessons the rest of us must learn seem to me two-fold. The first is that incomes policies are ineffective, except in fostering an unjustified sense of grievance among wage earners that stokes up trouble for later. The second lesson, confirmed by Professor Meade's Wincott lecture, is that the monopoly power of unions must be curbed if monetary policy is to do its work in checking inflation without pushing unemployment to unnecessarily high levels.

Ralph Harris.
The Almond Tree,
Parkgate Crescent,
Hadley Wood, Herts.

British firms in S. Africa

Sir,—South Africa is one of Britain's most profitable markets and the majority of large British companies have trading links with the Republic.

The last few years have seen an increase in the tempo of the movement to isolate South Africa. So far the movement's successes have been confined to sporting activities but there is evidence to suggest that the business field will be the next to merit attention. Already General Motors and other large American companies are under pressure from certain sections of Congress to instruct their South African subsidiaries to improve the lot of the non-European section of the population in their employment. The Polaroid Corporation has been forced, by internal pressure, to give more than £32,000 — representing a share of the profits of its South African operation—to further African education. British boardrooms have not yet had to give the position serious thought although there has been an increase in the number of shareholders' questions asked at Annual General Meetings.

So far the *campaign* is unplanned and unco-ordinated. In fact it is hardly fair to dignify the few isolated shots with the description of a campaign. Yet pressure is certain to increase. The evils or merits of apartheid may be the subject of protracted debate but there is no gainsaying that the world community has decided that it is going to disapprove of the system and will therefore try to bring pressure to bear on the South African Government. The business scene is one of the few areas where South Africa is vulnerable and it is there that the next blow will be struck.

It will repay parent companies to give some thought to the future of their South African operations in this context. There is minimal danger of any campaign to *isolate* the Republic achieving any measure of success, but embarrassment may certainly be caused to the parent company's Board if it is called on to defend actions of its subsidiary about which it may know little.

Within the apartheid system many unnecessary inequalities exist and these are often perpetuated by local management. The chief complaint at the present time is that few companies are paying equal pay to people from different races engaged on the same job. Pension schemes, sickness benefits and training plans for non-Europeans are, generally, inferior to those available to their European counterparts.

In many cases this is accepted practice in South Africa and there is no reason for the local company to increase its costs by giving benefits where it feels that the return will be small. Yet the parent company could find such actions difficult to justify if called on to do so by a group of shareholders or even—and this may be a new development—by their own unions.

Action now by the subsidiary to eliminate inequalities, so far as allowed by South African law, may do much to relieve British company directors from an embarrassing problem in a few years' time. It is up to the parent company to make this clear to local management.

Peter Vardy,
Ashridge House,
Amberley Close,
Send, Surrey.

Scotch whisky exports

Sir,—The problems of the Scotch whisky producers as outlined in Ross Wilson's article of October 6 are in many cases the results of deficiencies in their own export marketing strategies.

In very few cases have Scotch whisky companies set up their own marketing organisations in their major markets. Instead they have usually appointed agents or distributors. Rarely in these cases do they appear to have adopted a sound policy of supporting their brands with the right quality and quantity of advertising and promotion. Nor do they appear to have any strong initiative or control over this important activity.

Consequently, it has been quite easy for an agent or distributor to handle a brand of Scotch whisky for a while, to learn something about the business, and then to launch his own brand. He has found little difficulty in obtaining supplies either of bottled whisky under his own brand or of bulk whisky to bottle *himself*.

A lot of ground has been lost but there is still time for Scotch whisky producers to establish stronger roots in their markets and to regard themselves more as marketing oriented companies than as suppliers. This may call for direct investment in the markets themselves but the potential financial rewards are great. If the present trend is allowed to continue, the U.K. economy will be the loser.

Ray Thompson.
Corso Venezia 2a,
Milan.

Publishers' delays

Sir,—As a librarian I wade through much trade literature and read many reviews, mostly of books on management (the art that should be this country's salvation) and as a result I send my orders to my bookseller. After weeks and, in some cases, months, I ring him to find out what has happened. He is still waiting for the book to come through. Why? A year or two back it was because the publisher had "gone over to computers." Why? To facilitate and expedite the fulfilment of orders. When the difficulties of changeover had been accomplished I should notice the difference. I am still waiting but a new excuse has just been offered in the case of one publisher. His computer had broken down.

F. H. Smith.
6, Egley Drive, Mayford, Woking.

A new style LOA

Sir,—What's wrong with the Life Offices Association asked John Clover (Executive's World October 5) in a manner which has been long awaited, if not overdue, to be said by a leading personality from the company side of the life insurance industry.

Having been forthright enough to have published constructive views which must surely bring unanimous concern from the dyed-in-the-wool section of LOA membership, I would urge Mr. Clover to strengthen his realistic suggestions.

Whilst shuddering at the thought of yet another bureaucratic body viz. a superintendent of insurance—if needs must, then let him have the powers to control rigidly the financial solvency of every insurance company in complete protection of the insuring public and the professional intermediary alike.

A new-style LOA should not be allowed to act in restraint of trade by unilaterally imposing punitive commission agreements into the hands that feed the industry with the major share of its business.

My only comment on the proposed new top-level "image-projecting" organisation is that it should be placed earlier in order of priority. For too long, too many of the back-room insurance technicians alone have had little enough understanding of the very real problems met daily, if not hourly, by the industry's practitioners of the art of trying to give an undemanding public what they should not afford to be without—a first-class life assurance service with security, expressed in a language for all to comprehend.

Harry Lucas,
Director.
J. H. Dewey (Life and Pensions),
Ruxley Towers,
Claygate, Esher,
Surrey.

Trade as a battle

Sir,—Mr. Ormrod's letter (October 1) suggesting that free trade is of benefit only to economically dominant countries and is therefore only supported by them is confounded by his own examples.

Britain became economically dominant because of free trade, not vice versa. Now that she has lost her dominance she is still one of the leading exponents of free trade although to a lesser extent than previously.

America inherited the philosophy of free trade from Britain and it worked to her immense advantage long before she became an important economic power. Over the last 30 years she has become increasingly protectionist and to claim that she is to-day the leading supporter of free trade is to confuse words with deeds as anyone trying to export across the Atlantic well knows. The U.S. has been a consistent offender against GATT and has still to implement many of the tariff reductions negotiated in the much-vaunted "Kennedy Round." If Japan is excluded, America's non-tariff barriers are unequalled in their severity, efficiency and comprehensive application.

The fact of the matter, as Mr. Ormrod should know from his LSE days, is that international trade is simply another field of battle between the capitalists and the statists. Those who seek to control everything and everyone at home inevitably seek to extend their suffocating restrictions to foreigners.

Andrew Moncreiff.
23, Cadogan Gardens, S.W.3.

TV/Radio

* Indicates programme in black and white

BBC 1

*9.38 a.m. For Schools, Colleges. *12.00 Hardy Heating Co. Ltd., part 2. 12.50 p.m. A Chance to Meet Fr. Hugh Bishop. 1.30 Watch with Mother. 1.45 News; Weatherman. *2.05 For Schools, Colleges. *4.10 Design Education, part 2. 4.35 Adventures of Parsley. 4.40 Jackanory. 4.55 Blue Peter. 5.20 The Witch's Daughter. 5.44 Magic Roundabout.

5.50 News.
6.00 London This Week.
6.20 Entertaining With Kerr.
6.45 Ask the Family.
7.05 Z Cars.
7.30 Now, Take My Wife . . . starring Sheila Hancock and Donald Houston.
8.00 Panorama: On the eve of the Conservative Party Conference, Robin Day talks to the Prime Minister, the Rt. Hon. Edward Heath.
9.00 Nine O'clock News.
9.20 The Troubleshooters.
10.10 Steptoe and Son.
10.40 24 Hours.
*11.15 Road Sense, part 1.

All Regions as BBC 1 except at the following times:

Wales—*1.30-1.45 p.m. Ar Lin Mam. *6.00-6.20 Wales To-day. *6.45-7.05 Heddiw. *7.30-8.00 Fo A Fe.

Scotland—*12.30-12.55 p.m. Mod '71. *6.00-6.20 Reporting Scotland. *10.10-10.40 Mod '71: Fiddlers' Rally—concert excerpts. 11.15-11.45 Who Are The Scots?: a search for the origins of the Scottish nation, part 1, followed by Scottish News Headlines.

Northern Ireland — *6.00-6.20 p.m. Scene Around Six. *11.42 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). *11.42 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
*6.35 p.m. Open University: Social Sciences 34.
*7.10 Dressmaking, part 2.
7.30 News.
8.00 The Best of High Chaparral.
8.50 Call My Bluff.
9.20 Horizon.
10.10 Thirty-Minute Theatre.
10.40 News on 2.
10.45 Late Night Line-Up.

LONDON

10.20 a.m. and 1.40 p.m. Schools. 2.33 The Communicators. *2.55 Matinee. 3.25 The Lone Ranger. 3.40 Yak. 3.55 Tea Break. *4.25 Peyton Place. 4.55 Lost in Space.
5.50 News from ITN.
6.00 To-day.
6.20 Crossroads.
6.40 David Nixon's Magic Box.
7.30 Coronation Street.
8.00 World in Action.
8.30 Father Dear Father.
9.00 The Rivals of Sherlock Holmes.
10.00 News at Ten.
*10.30 The X Film: "The Curse of the Fly," starring Brian Donlevy, George Baker and Carole Gray.
12.00 a.m. The Glory of Love: Johnny Silvo sings songs that reflect the various facets of love.

All ITV Regions as London except at the following times:

ANGLIA

*3.55 p.m. Katie Stewart Cooks. 4.20 Cartoon Time. *4.25 Anglia Newsroom. 4.30 The Romper Room. 4.55 Flipper. 5.15 Freewheelers. 6.00 About Anglia. 10.30 Probe. 11.05 The Champions. 11.58 Reflection.

ATV MIDLANDS

3.10 p.m. Yoga for Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Nanny and the Professor. 4.40 Origami. 4.55 Bush Boy. 5.15 Freewheelers. 6.00 ATV To-day. 10.30 University Challenge. 11.00 Personally Speaking: Faith Dietrich.

BORDER

3.40 p.m. Farmhouse Kitchen. *4.08 Border News Headlines. 4.10 Nanny and the Professor. 4.40 Origami. 4.55 Pippi Longstocking. 5.20 Freewheelers. *6.00 Border News and Lookaround. 6.15 University Challenge. 10.30 The Odd Couple. 11.00 The Avengers. *11.57 Border News Summary.

CHANNEL

4.05 p.m. Anita in Jumbleland. 4.20 Puffin's Birthday Greetings. 4.25 Yoga for Health. 4.50 Bush Boy. 5.15 Freewheelers. 6.00 Channel News and What's On Where. 6.15 The Flintstones. 10.32 University Challenge. 11.03 The Avengers. 11.55 News and Weather in French.

GRAMPIAN

*3.30 p.m. Grampian News Headlines. 3.33 Cartoon Time. 4.25 Yoga for Health. 4.55 Land of the Giants. *6.00 Grampian News. *6.10 Country Focus. 6.35 Cartoon Time. 10.30 University Challenge. *11.00 Katie Stewart Cooks. 11.25 Painting a Province. 11.50 Evening Prayers.

GRANADA

3.40 p.m. Searching Youth. 4.05 News followed by *Peyton Place. 4.40 Anita in Jumbleland. 4.50 Supercar. 5.15 Freewheelers. 6.00 Newsday. 6.15 Nanny and the Professor. 10.30 University Challenge. 11.00 Johnny Cash in San Quentin.

HTV

3.45 p.m. Women Only. 4.15 Tinkertainment. *4.30 Robin Hood. 5.00 Sky Hawks. 5.20 Freewheelers. 6.01 Report West. 6.22 Report Wales. *10.30 p.m. Late Night Cinema: "The Burglar," starring Jayne Mansfield and Dan Duryea.

SCOTTISH

2.35 p.m. Facets. 3.15 Interval. 3.30 Origami. 3.45 Castle Haven. 4.10 Dateline: Early. 4.55 Charlie Brown. 5.15 *Freewheelers.* 6.00 Dateline: *Monday.* *6.20 The Flintstones. 10.30 University Challenge. 11.00 Late Call. *11.12 What Are You Doing After The Show?

SOUTHERN

3.10 p.m. Yoga For Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. *4.20 Terry Bear. 4.30 The Best of Lucy. 4.55 Voyage to the Bottom of the Sea. 6.00 Day by Day. 10.30 Southern Scene. 10.55 The Avengers. 11.55 Southern News Extra.

TYNE TEES

2.35 p.m. Portugal—Dream of Empire. 2.55 Interval. 3.10 Pied Piper. *3.15 Play with a Purpose. 3.40 Yoga For Health. 4.10 North East Newsroom. *4.15 Katie Stewart Cooks. 4.40 Anita in Jumbleland. 4.55 Skippy. 5.20 The Freewheelers. 6.00 To-day at Six. 6.30 Love American Style. 10.30 Face the Press. 11.00 The Prisoner. 11.55 Late News Extra. 12.10 a.m. Epilogue.

ULSTER

4.00 p.m. Yoga For Health. *4.30 Romper Room. *4.50 Ulster News Headlines. 4.55 Adventures of Seaspray. 5.20 Freewheelers. *6.00 UTV Reports. 6.15 F Troop. *10.30 Monday Night with the Rev. H. L. Uprichard, Drumbeg. *10.35 Monday Movie: "Lady in the Lake," starring Robert Montgomery, Audrey Totter and Lloyd Nolan.

WESTWARD

3.55 p.m. The Gus Honeybun Show. 4.05 Anita in Jumbleland. 4.20 Westward *News Headlines.* 4.22 Yoga For Health. 4.50 Bushboy. 5.15 Freewheelers. *6.00 Westward Diary. *6.20 Sports Desk. 10.30 University Challenge. 10.59 Westward Late News. 11.03 The Avengers. 11.56 Faith For Life.

YORKSHIRE

2.33 p.m. Portugal—Dream of Empire. 3.00 Houseparty. *3.15 You and Your Child. 3.45 Yoga for Health. 4.05 Calendar News. *4.10 Katie Stewart Cooks. 4.40 Anita in Jumbleland. 4.55 Skippy. 5.20 Freewheelers. 6.00 Calendar. 6.15 Branded. *10.38 Edgar Wallace. 11.30 All Our Yesterdays.

RADIO 1 247m

Time checks, up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.00, 6.30, 7.00, 8.00, 11.00, 12.00, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Tony Blackburn. 9.00 Jimmy Young. 11.00 Dave Lee Travis. 1.00 p.m. Johnnie Walker. 3.02 Terry Wogan. 5.00 What's New. 6.00-10.00 As Radio 2. 10.00-12.00 Radio 1 with VHF. 10.00 Sounds of the 70s. 12.00-2.02 a.m., as Radio 2.

RADIO 2 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30 (VHF and 247m) 7.00, 7.30, 8.00, then every hour on the hour until 2.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00 (1,500m) 11.00, 12.00, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special (8.27 Racing Bulletin). 8.55 Pause for Thought. 9.02 Pete Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk. 11.30 Tony Brandon: mid-day mixture of words and music. 2.02 Woman's Hour from the Regions. 3.02 Terry Wogan. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.35 Sam Costa presents music and song and stars on disc. 6.02 Album Time. 6.50 Sports Desk. 7.03 After Seven: Michael Parkinson—an entertainment in words and music. 8.02 Radio Tarbuck. 8.30 Bill McCue says It's a Fine Thing to Sing. 9.00 Country Style presents The Slim Whitman Show. 10.00-12.00 Radio 2 on 1,500m and 202m only (and medium wave in Scotland). 10.02 Late Night Extra (including Sports Desk at 10.15). 12.00 Mid-night Newsroom. 12.05 a.m. Night Ride. 2.00 News.

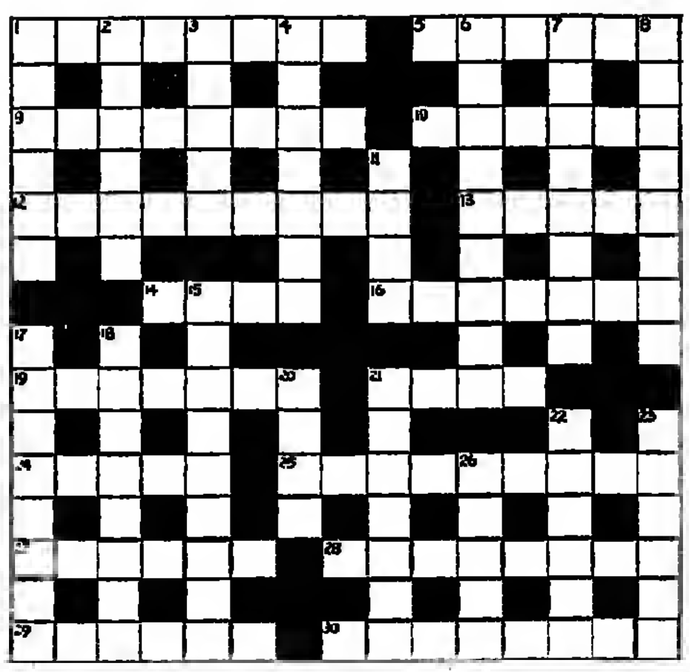
RADIO 3 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: C. P. E. Bach, Schumann, Brahms, Borodin, Mozart, Dvorak, gramophone records. 9.00 News. 9.05 This Week's Composer: Verdi on gramophone records. 9.45 Talking About Music. 10.15 English Choral Music for Male Voices: Elgar, Britten, Bax, Holst. 11.00 Tchaikovsky concert, part 1. 11.55 The Concert Interval: talk. 12.15 Tchaikovsky concert, part 2. 1.00 p.m. News. 1.05 BBC Lunchtime Concert: Bach. 2.00 Love's The Doctor: Comic opera in three acts. Act 1. 2.35 Interval: discussion. 2.45 Love's The Doctor, Act 2. 3.25 Interval: talk. 3.40 Love's The Doctor, Act 3. 4.20 Pied Piper. 4.40 Music From Albania. 5.10 Organ Recital. 5.45 Bandstand. 6.15 Concert Calendar. 6.25 Programme News and Stock Market Report. 6.30-7.30 Study on 3: 6.30 Vient de Paraitre: part 3. 7.00 Amici, Buona Sera!: Italian for beginners —2. 7.00-7.30 VHF Open University: Arts 34. 7.30 Orchestral Concert: Mozart, Malcolm Williamson, Ravel, Haydn. 8.40 Purcell and Handel: part 1: Purcell. 9.05 Ideology and Science: part 2: The Anthropology of Science. 9.30 Purcell and Handel, part 2: Handel. 10.30 The Morte d'Arthur by Sir Thomas Malory—readings. 11.00 Jazz in Britain: The Lot Song. 11.30 News Summary.

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Week. 6.45 Prayer for the Day. 6.50 Regional news, weather and preview. 7.00-8.45 To-day: magazine, The News. 7.40 To-day's Papers. 7.45 Thought for the day. 7.50 Weather, preview and news. 8.00 News and more of To-day. 8.40 To-day's Papers. 8.45 The Secret Life of Walter Mitty, story. 9.00 News. 9.05 Start the Week with Richard Baker. 9.35 For Schools. 10.15 Daily Service. 10.30 For Schools. 11.40 It Takes All Sorts: The Voice of the 11-plus Failure. 12.00 You and Yours. 12.25 p.m. Desert Island Discs. 12.55 Weather, preview and news. 1.00 The World at One. 1.30 The Archers. 1.45 Listen With Mother. 2.00 For Schools. 3.00 Afternoon Theatre. 4.30 Story Time. 5.00 P.M.: News magazine. 5.50 Regional news, weather and preview. 6.00 News. 6.15 The Secret Life of Kenneth Williams: Chapter 3. 6.45 The Archers. 7.00 News Desk. 7.30 My Word! 8.00 Johnny's Jaunt in the Pacific: Johnny Morris goes island-hopping across the Pacific Ocean, part 3. 8.30 Exposure: play. 9.59 Weather. 10.00 The World To-night. 10.45 To-day in Parliament. 11.00 A Book at Bedtime. 11.15 News. 11.31 Market Trends.

F.T. CROSSWORD PUZZLE NO. 1,689



ACROSS

1 Censure of the traveller with fish (8)
5 Tumble to employ about fifty (6)
9 Destined to enclose the net brought back and increased in weight (8)
10 Run aground in London (6)
12 The man too could be out (3, 2, 4)
13 French are always poetically less inhibited (5)
14 Decay with a round of duty (4)
16 Vowed with pawnbroker (7)
19 Rejoined and counted on being soft inside (7)
21 Sounds as if the poet has been excluded (4)
24 I get in further watered fabric (5)
25 Restrain a friend at the end of the game (9)
27 Old governor delivers weekend blow (6)
28 Support the injured Dave with his torn coat (8)
29 Long step to allow the good man to travel more comfortably? (6)
30 Tragic that the afterthought is returned to the Scotsman (8)

DOWN

1 Clarify in connection with the penalty (6)
2 Work up thankfully to produce a vegetable (6)
3 Apparent during the meal? (5)
4 Rome can provide the instrument (7)
6 Short of clothes, but neutral? (3, 2, 4)
7 Pay back after Science and clean up (8)
8 Lead door is unusual in this place (2, 6)
11 Look both ways—like Tom? (4)
15 Where there seems to be support for an imperial measure (5-4)
17 Forces me up inside the buildings (8)
18 This bone is the fibula (8)
20 Cut the weed short? (4)
21 Euclid's line has none of this (7)
22 This is as far as I get involved in the expedition (6)
23 The point stuck in the bird on this (6)
26 The speed with which one gets tied up? (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Racing

Castle will be king

by DARE WIGAN

FROM NOW until the flat racing season ends on October 30, the smaller meetings will devolve into a desperate struggle for prize money.

A typical example is to-day's fixture at Warwick where there were 45 acceptors at the overnight declaration stage for the Honiley Maiden Plate for two-year-olds, with the result that the race has had to be divided.

King Pele, who, had he not been drawn on the far side of the course, may well have won the Rowley Mile Nursery Handicap at Newmarket the other day, is likely to go well in Div. 1 (4.45).

And though the mere fact that Noel Murless is sending Mr. Marcus Wickham - Boynton's *Nyeri*, to the Midlands meeting is a clear indication that this filly by *St. Crispin III*, is not one of the most highly regarded inmates of the Warren Place stable, she may, nevertheless, be capable of winning Div. II (5.10).

One who has already won three times this season and who, since he is trained by Bernard Van Cutsem for Lady Rotherwick, will not subject connections to financial embarrassment if he fails this afternoon, is *Castle*, who carries top weight of 8st 10 lbs in the October Nursery Handicap (3.15).

In fact, the probability is that *Castle* will win, for at Beverley on September 22 he defeated *My Brief* comfortably at a difference of 7lbs.

My Brief underlined the value of that performance at York last Wednesday when he failed by a short head to catch *Irish Eyes*, to whom he was conceding 12lbs, with *Samfoo* a length away, third.

In the Warmington Plate (3.45) *Dilwyn*, though she is an exasperating filly, ought to be capable of beating *Flower of Fancy*.

Miralgo Joe, who made a profitable visit to Ostend at the end of August, when he won two races within the space of three days, the first by a distance, and the second by 12 lengths, goes for the Arden Stakes (2.45).

No doubt the form at Ostend does not add up to a great deal, but *Miralgo Joe* has only 7st 7lbs to carry and the opposition does not look formidable.

March Apollo is the possible winner of the Guys Cliffe Apprentices' Selling Handicap (2.15). This filly by *March Past* did not appear to be fancied when she ran in a similar type of event at Kempton last month in spite of which she finished only a neck and a head behind *Fort Roy* and *Motorama*. She will be capably handled by P. Richards.

Although *Conspiracy* was defeated by *Miramoor* on his last appearance, in an amateur riders' race at Goodwood last month, he was attempting to concede *Miramoor* 15 lbs and *Miramoor*, on his next appearance, carried 9-stone 5-lb into second place in a competitive handicap at Newmarket.

More significant, perhaps, is that *Conspiracy* did not wear blinkers at Goodwood as he had done on his two previous, successful appearances; and, assuming they are re-introduced to-day, they may work the oracle on this attractive colt.

SELECTIONS

2.15—March Apollo*
2.45—Conspiracy**
3.15—Castle—***
3.45—Dilwyn
4.15—Miralgo Joe
4.45—King Pele
5.10—Nyeri

TRAVEL PRIZES IN SR RAIL SURVEY

More than 250,000 passengers at 166 Southern Region stations will have a chance to win rail travel prizes on October 19. The prizes are a pair of first class return tickets between any two stations in Britain or £10 off the cost of a season ticket.

Passengers have to fill in a questionnaire about their journeys that day and return it to British Rail. This will provide the basic material for planning future rail services. Nearly all of the 166 stations are on the region's central division.

MP SEEKING ASSURANCES ON CHUNNEL

An MP said yesterday he feared the Channel Tunnel project might be dropped if the Commons votes against entry to the Common Market. Mr. Marcus Fox, Conservative MP for Shipley, is to press the Government, on the eve of the crucial vote, for assurances about the project.

"The whole project hinges on this vote on October 28. If MPs say no to Europe, it will go back into the pigeon holes. In fact, I fear that the whole idea could be dropped altogether." Mr. Fox has tabled questions for Mr. Peter Walker, Secretary for the Environment, on progress in tunnel negotiations and planning.

ABBEY THEATRE

Miss Lelia Doolan, former Radio-Telefis Eireann director-producer, has been appointed artistic director of the Abbey Theatre. She succeeds Mr. Hugh Hunt, who leaves next month when his contract expires.

Wigmore Hall

Roger Woodward

by RONALD CRICHTON

Next year is Skriabin's centenary. Roger Woodward's recital on Friday at the Wigmore Hall was described as a "preview." May this strikingly gifted pianist give us more Skriabin when the time comes. May the big orchestral scores, the deluges of ecstasy and torrents of fire which the fashionable conductors will no doubt be vying with one another to perform, be as seriously and sympathetically interpreted as the piano music we heard in the Wigmore Hall—few composers, incidentally, sound so truly at home under that morbidly glittering *art nouveau* apse as Skriabin.

To those two wishes a third may be added: that not everyone will find it necessary to follow the example of Mr. Woodward and other pianists in devoting their whole programme to Skriabin. Since most of his piano works, the sonatas included, are short, and since the mood is not always caught instantly by player or listeners, a largeish group is excusable, even desirable. Mr. Woodward's choice on Friday lasted little over an hour (without an interval) but though rewarding it was also nearly exhausting.

The danger with Skriabin is that surfeit may be reached quickly whether the music is indifferently played or (as in this recital) as if every note, and even more than the notes the thought behind them, mattered intensely. Mr. Woodward can concentrate with an intensity that makes his hearers follow him. In the selection of 12 Etudes which formed the first large group in his programme he let the Chopinesque melodies sing out uninhibitedly. His dynamic range is colossal. In some of the Etudes he pedalled extravagantly—extravagance is in keeping with this composer, but it soon palls.

The arrangement of the short pieces in sub-groups of similar mood (three lyrical ones, three turbulent ones, then three or four quick studies with a lighter touch) was illuminating except towards the end of the group when some very short ones were played straight off, with virtually no pause in between. There is more than sensation to them. The *prestissimo* study in F sharp (Op. 42 No. 3), a tensing two-part invention, deserves a chance to make its own effect without being hustled so swiftly out of the way. Once or twice a sense of haste, of unclearness that was not just the usual airlessness of Skriabin, got into the playing.

This was not the case with the Preludes Op. 74, even shorter pieces whose strange atmospheres were revealed with the utmost care. Of the two sonatas forming the rest of the programme the Tenth, whose remarkable closing pages, like disintegrating Debussy, were played with hypersensitive delicacy, seemed a stronger work than the Sixth. Now a fourth wish for the Skriabin centenary, that his music be properly examined in its context with the works of lesser Russian composers of the time, so that his innovations may be seen against their background. The aspects of his style and beliefs that once more appeal to contemporary taste can, and no doubt will, look after themselves.

Purcell Room

Michael Studer

by DOMINIC GILL

The last of the past week's remarkable crop of pianists was Michael Studer from Switzerland: a Paris Conservatoire first-prize winner and pupil of Geza Anda, making his London debut. He began a traditional but well-balanced and substantial programme with Mozart's C major sonata (K330): a cool and fairly distanced account that was all the same a model of directness, intelligence and clarity—an effective introduction, not once overstated, communicated simply, crisply, without affectation.

After his classical hors d'oeuvre, M. Studer launched into the main romantic body of his programme with impressive bravura and dash. Schumann's little *Abegg* variations were brilliantly thrown off, shaded with just the right accents of passion and detached amusement, their colours and rhythmic tensions strongly defined. An effect of distance here—combined as it was with so commanding a technique and authoritative a manner—was turned to positive advantage. But Chopin's F minor Fantasy needed closer focus: a certain lack of threat (or at least gravity) in the opening bars signalled a performance that was, to my taste, dramatically without tough fibre and rather flat in texture. M. Studer's unerring sense of proportion and direction finally won him through; something strange even so about this buoyant and amiable Fantasy, weighed down by hardly a tremor of *angst*.

Ravel's *Gaspard de la nuit*, on the other hand, suited him perfectly: a ravishing, crystalline *Ondine*, warmed with sudden surges, rippled with exquisite fingerwork; a cool, open-air *Gibet*, swung with marvellous precision around its hypnotic bell tone; and a *Scarbo* in which he coped well with the heavy action of the Purcell Room Steinway, bringing the whole canvas to vivid, confident life. There were many exciting things, too, in his finale, Liszt's *Rhapsodie Espagnole*—not least the glittering octaves, and the variety of pungent accents he brought to the theme. Clearly, a very gifted young pianist: and one we shall be hearing more of in good time.

Savoy

Roger Whittaker

by MICHAEL WALE

The vagaries of the Savoy booking policy continue. Back with their autumn cabaret, they present two excellent and different entertainers in Roger Whittaker and Carmel Gowan, who does the most interesting and incredible things with ropes. Yet Mr. Whittaker was, the night I was at the Savoy, restricted to a mere half-hour at the outside. For a man who is a solo artist, and indeed has done a solo show for two hours, it is rather throwing away your riches.

But the dancers are still as gauche and appealing as ever, an attitude of mind I find preferable to their more gleaming counterparts in other night-spots, and I still have a soft spot for old-fashioned acts like Carmel Gowan, who comes from Canada and gets her man, in this case a volunteer from the audience, in true Mountie lassoing style.

As for Roger Whittaker, he is just right for this room, and managed to get the normally staid audience to participate in his act, from learning how to do that amazing whistle of his to clapping their hands on the beat of the *Banana Boat Song*. Personally I liked his *Mammy Blue* very much—it could be a hit in the charts for him—and a French song, *Baisseuse pour mon amour*.

He is a genuine entertainer, sitting there alone on his stool, who you feel could be the life and soul of any party. Even when once the band let him down, he won through in the end, although the discussion at my table was whether the backing singers were on tape. I'm assured they are real and hiding in the wings.

But it is the way he works his audience that is pleasing. There is nothing false about him, all too common a fault in cabaret these days, which is why one could have done with a little longer in his company.

Elizabeth Hall

Two Torteliers

by GILLIAN WIDDICOMBE

His television Master Classes alone could have endeared Paul Tortelier to the English public for ever. The exuberant entertainer, with a conjurer's flair for changing good players into young musicians with independent musical pressures and imaginations; the passionate, quixotic teacher, who like Carl Ebert, actually demonstrates in front of a camera, the liberation of feeling into expression.

Naturally these programmes taught us as much about Tortelier as about playing the cello, since they revealed in explicit detail the musical qualities for which he most cares. A true lyrical line, no fear about fierce attack; above all the surge of expression. That he does not always practice as he preaches is a problem which has grown over the past few years. Some of the old agility has gone.

But not all. He confounded us on Saturday night in a remarkably accurate account of Paganini's *Moto perpetuo*, which seemed determined to prove not only that it is perfectly valid for the cello to raid the violin jewels, but also to mock those who doubted that Tortelier could still do it. More often—and this was the case in the Dvorak concerto with the LPO last month—the result of his technical problems is simply wild intonation.

The truest test of his present form was the Bach Suite No. 6. It was an audacious performance: the Prelude loud and fierce, as though every note were a proclamation; the Allemande musing, very free; the Courante with a rough staccato edge, the first Minuet clipped and harsh. The effect was to exaggerate the Sarabande as the lyrical centre of the Suite, for this was caressed and beautifully sung, beginning firmly and fading towards its conclusion. And here, where his tone was at its richest, the phrasing most expressive, Tortelier seemed to be performing all that he has ever preached.

The two other works in the programme were Martin's lacrymose Ballade, and Chopin's G minor Sonata. The problems of bringing off the Chopin were shared with his 21-year-old daughter, Maria de la Pau. She is a fervent, large-scaled pianist, sometimes untidy in the pursuit of spirit. Not surprising, considering her father!

Covent Garden

Aida

by ANDREW PORTER

Anthony Crickmay

Marina Krilovici and John Shaw

The Royal Opera season opened on Friday with a revival of *Aida*, distinguished by a remarkable new soprano, Marina Krilovici, and by Shirley Verrett's gleaming Amneris. Miss Krilovici is Rumanian. Five years ago she won a Canadian prize, and in 1968 she joined the Hamburg State Opera; now an international career stretches before her.

The voice is not conventionally glamorous, not *richly* beautiful. But it is beautifully schooled, admirably steady, and consistent through its well-knit registers. There were no squalls in her performance of this taxing role which searches out all technical deficiencies; there was no insecurity. Every note was safely and truly in place. The soft high G of "O patria mia" and the soft high B flats of the closing duet were pure and gentle.

There are few Aidas now who can sing the music so correctly. But our praise must also be more positive: Miss Krilovici also commands a delicacy of phrasing, and a command of portamento, that swift-vanishing art, which afforded uncommon pleasure—nowhere more so than in the exquisitely traced lines, sensitive to all Verdi's meticulous instructions, of "O terra addio." Her acting was not particularly warm, and her make-up was clumsy, but she has a pleasing appearance. She bears herself well, and she is not given to meaningless arm-waving.

In any case the Covent Garden production, handsome though it be, tends to prescribe (with all those stiff golden costumes) an hieratic rather than a dramatic performance, and to stress the Metastasian aspects of the libretto. Even Miss Verrett, who can be an electrifying actress, registered less strongly than usual in the earlier scenes. One had expected to watch the Triumph through her eyes, and to feel her presence fire the finale of Act 3 even though she sings there but one word. This did not happen, though she was voluptuously smooth, dreamy and beautiful, in the repeated "Ah vieni, amor mio."

To the great *scena* of the penultimate scene she then rose with all her wonted force, and spirit, and the whole performance then took on the dramatic urgency which, despite its many virtues, had been but intermittently present before. Charles Craig continued by singing "La fatal pietra" with noble intensity. His Radamès is often ringing and always reliable. John Shaw's Amonasro is forceful. But the evening belonged to the ladies: among whom the full-voiced High Priestess of Kiri Te Kanawa must also be praised.

John Matheson conducted his first *Aida* at Covent Garden. It was a sensitive, intelligent and indeed penetrating performance. Not always comfortable, nor always easy in its flow, sounding sometimes a little too fast and sometimes a little too slow for the singers, but promising to settle down—not into safe routine, but into a performance at once keen, adventurous and convincing. The *banda* of the Triumph, evidently relayed through a public-address system, sounded vile.

Royal Ballet at Covent Garden

The Royal Ballet repertory in the period from November 29-January 22 includes the world premiere of a new MacMillan ballet, the first performances by the Royal Ballet of Jerome Robbins' *Afternoon of a Faun*, revivals of De Valois' *Checkmate* and Nijinska's *Les Noces*, seven other short ballets and four full-length works. The new MacMillan ballet has its premiere on January 19 in a triple bill with *Song of the Earth* and *Les Noces* (in which Svetlana Beriosova and Derek Rencher dance the Bride and Bridegroom).

Jerome Robbins' *Afternoon of a Faun*, which uses the famous Debussy score, enters the Royal Ballet repertory danced by Antoinette Sibley and Anthony Dowell on December 14 at the Royal Ballet Benevolent Fund Gala. At further performances on December 16 and 18 and January 8 it will be seen in a triple bill with *Checkmate* and *Marguerite and Armand*.

December 22 marks the 500th performance of *Swan Lake* by the Royal Ballet at Covent Garden. Antoinette Sibley and Anthony Dowell will be dancing the principal roles on this occasion.

Meanwhile the Royal Ballet, in its two weeks' season at the Wimbledon Theatre opening tomorrow, Tuesday, will mount two ballets by the American choreographer Herbert Ross. These are *Caprichos*, based on the series of drawings by Goya, and *The Maids*, based on the play by Genet.

Major revivals during the season are Kenneth MacMillan's *Solitaire* and Frederick Ashton's *Façade* and *Les Rendezvous*.

There are ten other works in the MacMillan repertory including several which were presented during the company's recent season at Sadler's Wells Theatre.

After Wimbledon, the Royal Ballet will be appearing in Bournemouth, Eastbourne, Birmingham, Leeds, Newcastle, Manchester and Nottingham.

SPORT 1: GOLF . . . SOCCER . . . RUGBY

Gary Player's success a triumph of hard work

BY BEN WRIGHT

NO ONE can possibly detract from the magnificence of Gary Player's fourth victory in eight starts in the Piccadilly World Match Play Championship by five and four over Jack Nicklaus and Wentworth's West Course on Saturday. But there is little doubt that the diminutive South African would be an ideal subject for some friendly psychoanalysis.

Having known Player well since 1956, I have always followed his progress with great interest since his humble beginnings. At Hoylake that year, before the Open Championship, a well-known British professional and I were walking to the club from the station when Player, in his ill-fitting and baggy suit came up hurriedly, and asked my colleague in his ingenuous wide-eyed way if he could offer him any advice. I vividly remember a reply that must rank among the greatest gaffes in golfing history. In plain-spoken words, the British professional told Player to go home, forget all about golf, and get himself a decent job.

The determination to prove his adviser wrong was etched all over Player's youthful features at that moment, and it seemed to me no coincidence that the South African finished fourth in that championship.

The fact that so few people have ever taken him seriously is one of the most important factors in Player's emergence as a truly great golfer. Why Gary succeeds so often in the Piccadilly event is because by doing so he is striking a blow for all men of small stature.

Make no mistake, Player started his remarkable career with few physical attributes and less natural talent. Only sheer hard work has overcome both deficiencies, and, pound for pound, there are few fitter athletes, let alone golfers, in the world to-day than Player. Too few of our own top-ranking professionals are fit enough in the purely athletic sense to hold their own in world class over the distance of the Piccadilly event, and ironically Player's first-round victim, the plainly sick Tony Jacklin, is one of them.

At the Dunlop Masters tournament, several British players mocked Player as he jogged by on a nightly training stint after battering himself almost into oblivion on the practice ground. He did this again on Friday night, and then ran two miles back to his hired home in his golf clothes. Some would call this madness, but the results and bank balance speak for themselves.

Player's diet is also a bizarre one, chock-full of vitamin, protein and unappealing health foods, but it is his thinking that I find so fascinating. The South African is one of those people who deal only in superlatives, and who bounce from fits of the utmost depression to a powerful euphoria. This is particularly applicable to Player's golfing capabilities. He typically produces many of his best performances when apparently least likely to do so health-wise.

At Portmarnock in 1960 at the Canada Cup, as it was then called, Player was stricken down early one morning with an attack of asthma and hay fever. As a fellow sufferer, I offered him my selection of drugs, and drove back into Dublin to fetch them.

Yachting is on Page 6

Player also received an injection, and proceeded to hole the course in 65 shots, which I believe still to be the record.

That evening, a grateful Player kindly entertained me to dinner at his hotel and, before doing so, amazed me by walking round his bedroom on his hands with no semblance of strain.

Two years ago at Wentworth, Player arrived, recently plagued by the hook that has since become an obsession. While practising, he asked his admirers for remedies. A then traffic policeman, Eric Humphreys, himself a single figure handicap golfer, offered a recipe that was successful. The two became firm friends, and, knowing them both, I know it is true to say that Player has come to lean ever more heavily on his Svengali, as he has come to lean on friends all over the world. Humphreys was always alongside Player at Chepstow, again last week, and goes to Paris for the lucrative Lancome tournament this week expressly at Player's request. In short, Humphreys forces Player to believe in himself when the moments of depression start to become longer than that. One hopes that, one day, he will tell the South African that he will stop hooking if he ceases to come off his shots.

What of Nicklaus? I have said for too long that the American is so far ahead of even his closest rivals that he would win everything he chose if he could putt. This was never truer than on Saturday, when Nicklaus destroyed himself on the greens after he outplayed Player throughout the morning.

Round in 67 to the South African's 68, Nicklaus lunched one up. But the damage had been done on the 15th green, where he missed a two foot putt to lose his second successive hole to a birdie. Nicklaus had taken the 12th and 13th with birdies himself, the 12th being the first hole to be exchanged in a strangely boring exhibition of golf at its most exalted level.

Before moving to the 16th tee, Nicklaus tried to hole that putt four times more before actually sinking it. This chastening experience caused him to adjust his stance to be more behind the ball with hands held higher. But, in missing similarly short putts at the 19th, 21st and 22nd holes, Nicklaus virtually forfeited the match, since Player also took the 20th with a two. These four wins in a row effectively sealed Nicklaus's fate, and made the latter play somewhat anti-climatic. Player holed from three yards to take the 28th hole and turn for home for the last time four up, out in 32 shots.

Nicklaus caught the head of his driver on the ground as he commenced his back swing on the 29th tee, could not stop, and pushed the ball along into the undergrowth, where it was never found.

He awakened a faint hope with a great four to take the 30th hole, but bowed out sadly by missing a short putt to lose the 32nd just after a nearby grandstand had collapsed to disturb his concentration.

Nicklaus told me earlier in the year that he was having trouble in focusing his eyes on long putts. I mean it with all kindness when I suggest humbly that it might be a good idea if he had his eyes tested.

Lastly, a word of criticism of the promoters. They set new, high standards when they launched this event eight years ago, but since then, those standards have fallen with monotonous regularity each year, which to me seems a very bad way of doing things from the point of view of public relations.

West Ham slip into old ways and let Leicester snatch a point

BY TREVOR BAILEY

WEST HAM United have failed to gain any major honours since midway through the Sixties and even worse, despite the presence of three outstanding current internationals in the team for much of this period, have seldom threatened to do so.

Although they have usually served up an attractive brand of football, the points they have squandered at home and the number they have lost away has meant they have been more concerned with remaining in the First Division than challenging for the title, while their record in Cup football has been so poor that it might be said to indicate a basic lack of character.

The Hammers began this season by taking a solitary point from the first four matches so that even their loyal, and remarkably tolerant fans were beginning to complain.

Since this disastrous beginning things have improved to such an extent that they are now comfortably placed in the league, have actually won a Cup game away from home and were desperately unlucky not to have knocked Leeds United out of the League Cup last week.

All of this has led to talk of a new look West Ham, who will once again be a force in the land.

On the evidence of their match with Leicester on Saturday this judgment appears a little premature, because this was the London club at their most infuriating.

They had the majority of the play, but were unable to translate their superiority into a goal until the 86th minute and then, with victory in their grasp tamely presented their opponents with the equaliser through loose marking following a long throw in.

Newly-promoted Leicester have found scoring difficult in the first division, which is presumably why they have spent £300,000 on three forwards, Sammels, Birchenall and Weller.

However, it must be admitted that although the five-man backline which they employed so successfully at Upton Park may well stifle the attacks of the opposition and prevent goals, it is hardly conducive to creating them.

Their rear quintet did in fact manage to hold out until the closing minutes when Cross, who more than anyone else had been responsible for the comparative immobilisation of the West Ham strikers, slipped and gave away a simple goal.

It is doubtful whether this lapse would have occurred if Manley had not been forced to retire through injury and his replacement did not appear to have received any instructions as to his role.

Fortunately the luckless Cross was able to make amends when he surged upfield and hooked home the equaliser.

A draw was probably the fairest result, not so much because Leicester deserved the point, but rather more because West Ham on this form hardly deserved two.

Although the visitors did defend in depth and Shilton was quite superb in goal, making at least three saves which bordered on the miraculous, a good side would have sewn up the game by half-time.

Where did West Ham go wrong? It would be easy to put the blame for the lack of goals on their front-runners. Best was firmly held and Hurst has clearly lost some of his edge while Redknapp is an "old style" outside right who seldom scores anyway.

But it seemed to me that the basic weakness lay in a lack of creative ideas from their mid-field trio of Robson, Brooking and Bonds.

It was noticeable how the artistic Sammels for Leicester initiated more potentially dangerous moves than the West Ham trio put together.

In the second half they gave the impression they were determined to bludgeon their way through, although a quick rapier thrust was more likely to have done the trick.

With five men almost entirely committed to defence Leicester used the neat and skilful Weller largely in a midfield capacity on the right of Sammels, with whom he is developing a fine understanding, and Glover was on the left. Ahead Fern and Birchenhall formed a twin spearhead.

Sleepy 'Quins lack colour

BY PETER ROBBINS

A VISIT by the Harlequins to any ground always attracts a good gate because of their reputation for open attacking football.

They went to Gloucester on Saturday and lost 12—4 in a game that began promisingly but then deteriorated in a way that made one wonder if either side had ever heard of coaching or of the rewards of playing with the head as well as the heart.

In contemporary terms the rugby, except for fleeting moments, was anachronistic and, as one Welshman said after the game, there would have been more action in a chapel meeting.

Before the game Peter Ford, a Gloucester stalwart, said that Gloucester's image had changed and that the ball would be passed by at least four players in sequence. This proved to be ironic exaggeration.

Though in fact Gloucester scored a fine try after 22 minutes when Palmer dummy-scissored with Morris and re-linked with him before Watkins scored and Stephens converted. This came from a set scrum and showed what Gloucester could effect.

Why then did Gloucester not press their set scrum and maul advantage?

First their forwards lacked urgency around the field as a unit. Watkins, Brinn, Burton and Potter all had their individual moments but then their colleagues were never close enough to sustain the impetus. The 'Quins finally mustered enough defenders to stop this hopeful forward movement.

But the crux of the Gloucester problem was at scrum half where Spalding had an unhappy day. Rarely did he give Palmer (a very useful fly half) the ball to run on to and this deprived the line of any rhythm.

Palmer compounded this fault by standing too far away and forcing inaccurate length out of Spalding, who got the full treatment from the customary vitriolic section of the home crowd.

Jardine was elusive in the Gloucester line but having beaten two or three men held on too long. Perhaps the one player who could have enlivened the otherwise dull scene was Etheridge the full-back.

However, he only came up once to attack and only twice ran effectively after fielding kicks. What a contrast to his game for his county against Cornwall last year.

The 'Quins did try to live up to their reputation but their major fault was predictability in all they did. They won a good share of line-out ball through Martin, Trapp and Hayward but later this became wild.

The front row of Wilson, Stockdill and Garrett found the opposition too strong and with Gloucester managing a good shove the heeling was often laborious.

When it did emerge they had the same problems at scrum half where Gronow played with a sameness that gave Watkins a good chance to get to Kerton, the fly half.

The situation cried out for some imagination at the base of the scrum either from the No. 8 Mason or from Gronow himself. Kerton with all his experience could have advised his partner that it is variety that a flanker detests.

When Gronow finally did run from broken play he began some fine movements when the 'Quins were already 12-4 down.

Orthodoxy pays off when an overlap is imminent and the visitors scored a good try 15 minutes into the second half. Spalding had a kick charged down and Kerton quickly moved the ball to Forth (returning after a long first half absence) who beat off some feeble cover to score in the corner.

Only Cooke in the centre showed real wit in attack and at least the Harlequin motto "Numquam Dormio" was valid in his case. For the rest they should have added "Well, hardly ever."

Gloucester led 6—nil at half time increasing this to 9—nil when Stephens kicked a penalty just before 'Quins scored their try. Stephens added a late penalty when Palmer was late tackled. The one redeeming feature of the drab game was the admirable refereeing of Mr. Lee, whose patience must be infinite.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Business Efficiency Exhibition (cl. Oct. 13)	Olympia
Current	Brassfoundry Exhibition (cl. Oct. 29)	Building Centre, W.C.1
To-day	National Pram Fair (cl. Oct. 14)	Harrogate
To-day	Selling Point of Sale Exhibition (cl. Oct. 15)	Olympia
Oct. 12—14	Bristol Hardware Show	Victoria Rooms, Bristol
Oct. 12—15	Engineering Inspection and Quality Control Exbn.	New Hortic. Hall
Oct. 14—23	Kensington Antiques Fair	Kensington Town Hall
Oct. 18—21	Junior Fashion Fair	Old Hortic. Hall
Oct. 20—30	International Motor Show	Earls Court
Oct. 25—28	International Safety Exhibition	Olympia
Oct. 25—28	International Research and Development Exbn.	Olympia
Oct. 25—29	Greater Peterborough Development Exhibition	Royal Lancaster Hotel, W.
Oct. 25—30	International Audio Fair	Olympia
Oct. 26—27	Bookmakers' Show	Kensington Close Hotel, W.
Oct. 26—29	Northern Contract Interiors Exhibition	Queens Hall, Leeds
Oct. 31—Nov. 3	Israel Fashion Week	Bloomsbury Centre Htl., W.C.
Nov. 1—5	Research and Clinical Laboratory Equipment Exhn.	U.S. Trade Center, S.W.
Nov. 2—4	Welsh Packaging and Plastics Show	Sophia Gardens, Cardiff
Nov. 4—19	Careers '71 Exhibition	Bingley Hall, Birmingham

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Motor Exhibition (cl. Oct. 17)	Paris
Current	Sports Gds. Equip., Camp'n & Gdn. Ex. (cl. Oct. 12)	Cologne
Current	Ironmongery Show (cl. Oct. 13)	Brussels
To-day	National Hardware Show (cl. Oct. 14)	New York
Oct. 14—20	International Instrumentation & Automation Exbn.	Dusseldorf
Oct. 14—21	International Chemical and Foodstuffs Equip. Exbn.	Utrecht
Oct. 14—23	Machine Tool Exhibition	Sydney
Oct. 16—19	International Exhn. of Outdoor Games Equipment	Paris
Oct. 17—19	Autumn Textile Fair	Hamburg
Oct. 17—21	Israel Chemistry Week	Tel Aviv
Oct. 18—24	International Shop and Restaurant Show	Brno, Czechoslovakia
Oct. 20—23	European Marine Trades Exhibition	Hamburg
Oct. 23—26	Intnl. Exhibition for Horticultural Technology	Ghent
Oct. 23—31	International Exbn. of Hospital and Medic. Equip.	Brussels
Oct. 26—31	International Office Machinery and Equipment Ex.	Milan
Oct. 28—30	Canadian Education Showplace	Toronto
Oct. 29—Nov. 3	International Aerospace Show	Nagoya, Japan
Oct. 30—Nov. 15	International Household Fair	Charleroi, Belgium
Nov. 3—5	European Fashion Fair	New York
Nov. 3—14	International Motor Show	Turin
Nov. 6—9	Clothing Textiles Trade Fair	Milan
Nov. 6—14	Intnl. Caravan and Winter Sports Show	Brussels
Nov. 8—13	International Furniture Fair	Utrecht

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Oct. 12	Ind. Soc.: Reducing Sickness Absence	Robert Hyde House
Oct. 12—13	Brunel University: Organisation-Options for Mngt.	Cntr. Airport Hotel, Heathrow
Oct. 13—14	Financial Times-IC: Residential Property	Dorchester, W.
Oct. 14—15	Brit. Inst. Mngt.: Effective Speaking	Chartered Accs. Hall, E.C.
Oct. 14—15	Brisch Birn: Cost Improvement	Portman Hotel, W.
Oct. 14	Management Courses Ltd.: VAT '71	Prince of Wales Hotel, W.
Oct. 15	Mngt. Training: The Industrial Relations Act	St. Nicholas Circle, Leicester
Oct. 17—22	Peat Marwick Mitchell: Financial Management	Hartney Wintney
Oct. 17—22	Kepner Tregoe: Problem Solving	Whately-Hall, Banbury
Oct. 17—22	Wales Int. Mngt. Ctr.: Industrial Marketing	Angela Hotel, Cardiff
Oct. 18	Inst. Credit Mngt.: Credit and the Common Market	Royal Garden Hotel, W.
Oct. 18	Guardian Bus. Servs.: Executive Redundancy	Hyde Park Hotel, S.W.
Oct. 18—19	Fin. Techniques: Personal Financial Planning	Brown's Hotel, W.
Oct. 18—21	R & M (Management Consultants): Mngt. Principles	41, Duke St., W.
Oct. 19	MSC: Interviewing for Selection	Piccadilly Htl., W.
Oct. 19	Intnl. Trade Information: Industrial Relations	Mount Royal Hotel, W.
Oct. 19—21	Ed. for Bus. and Ind.: Target Engineering Output	Kensington Palace Hotel, W.
Oct. 19—21	Marketing Improvements: Industrial Selling	Bloomsbury Cntr. Htl., W.C.1
Oct. 20	London Chamber of Commerce: Licensing	Elizabeth Suite, E.C.
Oct. 20	Hardware Manufctrrs. Assoc.: Tuning in to Europe	Connaught Rooms, E.C.
Oct. 25—26	BACIE: Fault Diagnosis	16, Park Crescent, W.
Oct. 26	Building Mngt. & Mktg.: Common Mkt. & Cnstrctn.	Mount Royal Hotel, W.
Oct. 26	Inst. Mech. Engineers: Automatic Assembly	1, Birdcage Walk, S.W.
Oct. 26—27	Assoc. Business Programmes: Commercial Contracts	Royal Garden Hotel, W.
Oct. 26	Davies and Robson: The Fleet Engineer	Charing Cross Hotel, W.C.
Oct. 26 & 28	Legal Studies and Servs.: Tax and Mngt. Decisions	Westbury Hotel, W.
Oct. 27—28	Financial Times: Industrial Relations	Savoy Hotel, W.C.2
Oct. 27—28	North Paul & Assocs.: Job Enrichment	Inn on the Park, W.
Oct. 29—Nov. 1	Management Studies Centre: The Smaller Company	St. Helier, Jersey
Nov. 1	IPM: Computer Personnel in Management	Cannock, Staffs.
Nov. 2	Institute of Directors Annual Conference	Royal Albert Hall, W.
Nov. 2—4	BCE: National Building Maintenance Conference	Royal Garden Hotel, W.
Nov. 4—5	Training for Business: Microfilm Methods	Bloomsbury Centre, Htl., WC1
Nov. 4—5	InComTec: Investment Appraisal	The Criterion, W.
Nov. 4—6	Inst. of Work Study Practitioneers Annual Conf.	Hotel Majestic, Harrogate
Nov. 8—12	NCB Computer Power: Operations Management	Cannock, Staffs.
Nov. 8—12	P-E Consulting Crp.: Production Management	P-E Centre, Egham
Nov. 8—19	Engineers' House: Basic Work Data	Clifton Down, Bristol
Nov. 10—11	Financial Times: Tax Reform (VAT & Corpn. Tax)	Europa Hotel, W.

Exhibitions and conferences year book

A NEW ANNUAL for the trades fairs industry is to appear next January. Called Exhibitions and Conferences Year Book, it will cost £4 plus 30p for postage and is edited by Mr. Peter York.

Over 800 conference centres have supplied details of hall sizes and seating, hotel accommodation and charges, all-in conference rates and restaurant and parking capacities. There are also lists of some 1,420 trade associations, institutions, professional organisations, chambers of commerce and overseas consulates and embassies.

The book has four sections—U.K. exhibitions, overseas shows, conferences and general information.

The show goes by train to Europe

MOBILE Marketing is planning to run exhibition trains in the U.K. and Europe for the British building industry next year. It is said to be the first time such a trans-continental show will be used for an industrial marketing promotion.

The first "Construction 72" is to cover 20 British cities and last 25 days. It will start from London on January 20. Costs are on an all-in basis of £970 for a stand area of 14 feet by 8 feet. This includes fitments and units.

Charges for the European venture are expected to be between 30-40 per cent. higher than those for the U.K. Exhibitors on the U.K. train will have first call on the European one which is expected to run during September - October. Mobile Marketing ran an exhibition train for Bovis last year and is currently carrying out a similar project for Sellotape.

Two weeks in South Africa for £230

AN OPPORTUNITY for businessmen to spend two weeks in South Africa for £230 will occur next June which will coincide with the International Mechanical Handling Exhibition in Johannesburg.

The trip is being run by the organisers of the show to encourage further British support. It is not restricted to exhibitors but as the exhibition has the support of the Department of Trade and Industry's joint venture scheme, exhibitors joining the flight can claim the recognised financial aid towards the cost.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The sub-division shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—
Caledonian Trust, Glasgow, 2.15.
Cussons, Manchester, 12.
Hoffnung (S.), Great Eastern Hotel, E.C., 12.15.
Western Canada Investment, Edinburgh, 12.30.

BOARD MEETINGS—
Finals:
Glaxo
London and Strathclyde Trust
Tanganyika Concessions
Interims—
Brook Street Bureau
Currys
Empire Stores (Bradford)
Hunting Assoc.
Lipton (L.)
Naill (Jas.)
North (M. F.)
Northern Securities Trust
Panawatta Tea
Tower Assets
Williams and James (Engineers)

DIVIDEND & INTEREST PAYMENTS—
Aaronson Bros., 2p.
Beautility, 4.37p.
Electrocomponents, 5.75p.
Gelfer (A. and J.), 2p.
Kleta Kellas Tin Dredging, 15p.
Rolinco N.V. Ord. Sub. Shares (Reg. in the name of Nat. Prov. Bank (Nominees)) Fls.0.30 Do. (Reg. in other names) Fls.0.30.
Scottish Eastern Investment Trust deb. stk., 3½ pc.
Utilico N.V. Sub. Shares, Fls.0.46.
Woodhouse and Rixon 0.75p.

TO-MORROW

COMPANY MEETINGS—
Antofagasta (Chili) and Bolivia Railway, Winchester House, E.C., 12.15.
Bisichi Tin, 20, Aldermanbury, E.C., 12.15.
Diamond Stylus, Colwyn Bay, 12.
United British Securities Trust, Bucklersbury House, E.C., 12.
Wny Holdings, 1, Paternoster Row E.C. 12.

BOARD MEETINGS—
Finals—
Anglo American Asphalte
Baird (Hugh)
Boulton (Wm.)
Consolidated Gold Fields
Interims—
Babcock and Wilcox
Bate (Wm.)
De Vere Hotels
Domielon and General Trust
Gerrard and National Discount
Grattan Warehouses
Greeff Chemicals
Morrison (T. C.)
Holt Products
Investment Trust Corp.
Kenkast
Lasney
Marks and Spencer
Miller (H.)
Ocean Steamship
Roots Harvesters
Tremletts
Union Corp.
Weeks Trailers

DIVIDEND & INTEREST PAYMENTS—
Advance Electronic, 1p.
Caledonian Trust, 0.97p.
Cussons Ord. and A 1p.
Diamond Stylus 0.4p.
Norvey Plant, 3.5p.
Reeve Angel International, 1.75p.
Trust and Agency Co. of Australasia, 1.5p.
Warner Holidays Ord. and A, 1.1p.
Way Holdings 1.25p.
Western Canada Investment, 8.75p.

WEDNESDAY, OCTOBER 13

COMPANY MEETINGS—
Dickwells, 15, St. Helen's Place, E.C. 12.
Photopia International, Stoke-on-Trent, 2.15.
Westforth Electrical and Automation Leeds, 12.
Worthington (A. J.), Stoke-on-Trent, 11.

BOARD MEETINGS—
Final—
Refuge Securities
Interims—
Binck and Edgington
Chubb and Son
Compton (J.) Sons and Webb
Frith (W. G.)
Green'n Economisers
Jessel Toynbee
London Trust
Morris and David Jones
Orion Insurance
Pickles (Wm.)
Reed (Austin)
Smith St. Aubyn

DIVIDEND & INTEREST PAYMENTS—
Antofagasta (Chili) and Bolivia Railway Cons. Ord. stk., £1.
Associated Development Holdings 1p.
Battle 8 pc Bds. Red £4.1315.
Jacksons' Bourne End. 0.75p.
Lewisham 8 pc Bds. Red., £4.1315.
Pembrokeshire 8 pc Bds. Red., £4.1315.
Photopia International, 3p.
Price Forbes, 2.5p.
Slough 8 pc Bds Red., £4.1315.
Supra Chemicals and Paints, 1.875p.
Worthington (A. J.), 0.55p.

THURSDAY, OCTOBER 14

COMPANY MEETINGS—
Bank and Commercial Holdings, Bedford, 12.
British Electric Traction, Connaught Rooms, W.C., 12.15.
Dixons Photographic, Edgware, 12.45.
Drury Holdings, Hyde Park Hotel, S.W., 12.
Highland Tea, 5, Queen Street, E.C., 11.15.
Humn Holdings, Winchester House, E.C., 12.30.
Hoyapara Tea, 82, Fenchurch Street, E.C., 2.30.
Stewart Plastics, Croydon 11.

BOARD MEETINGS—
Finals—
Appleyard Group
French (Thomas)
Hardura
North Atlantic Securities
Pressac
Walker and Homer
Interims—
Atlas and General Trust
Beyer Peacock
British Home Stores
Erith
FPA Construction
Finlan (John)
Fogarty (E.)
GHP Group
Henderson (P. C.)
Matthews Wrightson
Upton (E.)
Wigham-Richardson and Bevington

DIVIDEND & INTEREST PAYMENTS—
Bifurcated Engineering, 1.25p.
Frost and Reed, 2.375p.
Malaysiam Tin, 0.833p.
Newmark (Louis), 3p.
Rotaflex (G.B.), 1p.
Stewart Plastics, 2.375p.
Westforth Electrical and Automation, 3.5p.
Wattern Bros., 1.875p.

FRIDAY, OCTOBER 15

COMPANY MEETINGS—
British Relay Wireless and Television, Winchester House, E.C., 12.
Gunn (A.), Manchester, 12.
Primerston Investment Trust, Winchester House, E.C., 12.

BOARD MEETINGS—
Interims—
Fairview Estates
Fothergill and Harvey
Upward and Rich
Queens Moat Houses

DIVIDEND & INTEREST PAYMENTS—
Albright and Wilson, 0.5p.
Anglo-Swiss, 1.25p.
Australia (Commonwealth of), 2½ pc 1970-1975 1¼ pc. 6 pc 1974-78 3 pc. 5½ pc 1976-78 2¾ pc. 2½ pc Reg. 1970-75 1¼ pc.
Bank of Scotland, 9p.
Bassobell, 3.125p.
Birmingham 7 pc Bonds (Red. 19/4/72) 3½ pc.
British Assets Prefs., 2¼ and 2½ pc.
British Electric Traction Defd. Ord., 3.125p.
Camden 9 pc Red. stk. 1078-80, £2.4204.
Canadian and Foreign Inv. deb. stk., 3¼ pc.
Carroll (P. J.), 7½ pc.
Clarkson International Tools Ord. and "A." 0.825p.
Consolidated Trust, 1st Prefd. 2 pc. 2nd Prefd. 2¼ pc.
Cornwall Property Ln. stk., £3.75.
Coventry 6 pc 1976-78, 3 pc.
Croda International Ln. stk., 3½ pc.
Cussons Ord. and "A." 1p.
Cuthbert (R. and G.), 1p.
Davis (H. and G.) Pref., 5.5p.
Debenhams deb. stk., 2¾ pc.
Distillers, 3.625p.
Dixons Photographic Ord. and "A." 0.8p.
Drury Holdings, 1.875p.
Goebel-Comber-Marx, 4p.
East African High Commission 4 pc stk. 1972-74, 2 pc.
East Rand Consolidated, 9.5p.
First Re-Investment Pref., 2½ pc.
Fothergill and Harvey Pref., 2½ pc.
Gates (Frank G.), 3.75p.
Grand Metropolitan Hotels Ln. stk., 4¼ pc.
Greater London 9½ pc 1980-82, 4¾ pc.
Hellenic and General Trust, 6p.
Hume Holdings, 1.4375p.
International Bank for Reconstruction and Development 3½ pc stk. 89-74 1¾ pc.
International Telephone and Telegraph Corp., 28.75 cts. U.S.
Isle of Man Govt 3½ pc Stk. 53-83, 1¾ pc.
Jamaica 4½ pc Stk. 73-78, 2¼ pc.
Kleeman Industrial Holdings 3.125p.
Lamson Industries, 1.25p.
Liverpool 7 pc Bds. Red. 19/4/72, 3½ pc.
Manders (Holdings) Pref., 2½ pc.
Metropolitan Water Board 3 pc deb. stk., 1½ pc.
Minty, 1.25p.
Monks Invest. Trust deb. stk., 2¼ pc.
Murray (D. and W.) Pref., 2½ pc.
News International Ord. and N.V., 4.6875p.
Norwest Holst loan stk., 3 pc.
Occidental Petroleum Corp. 25 cts.
Oliver (George) Footwear Ord. and A 0.875p.
Opperman Holdings deb stk., 3¾ pc.
Palmerston Investment Trust deb. stk., 1.125p.
Pearl Assurance Co. 2.5p.
Perth 7 pc Bds. Red. 19/4/72, 3½ pc.
Plymouth (City of) 6 pc Red. Stk. (1973) 3 pc.
Queen's Moat Houses Pref. 2½ pc.
Relyon P.B.W.S., 2.5p.
Richards Prof. 2 and 2¼ pc.
Schlumberger, 35 cts.
Scottish Agricultural Secs. 7 pc. deb. stk. 80-83, 3½ pc.
Southampton Corp. 6 pc Red. stk. 1973, 3 pc. Do. 1981, 3 pc.
Southwark Corp. 9¼ pc Red. stk 78-79 £4.2368.
Stilwood (Robert) 0.75p.
Sunderland Corp. 9½ pc Red. stk. 77-79, 4¾ pc.
Temple Bar Invests., 1.75p.
Tigon Group, 1.5p.
Treasury 5 pc stk. 86-89, 2½ pc.
United Kingdom and Overseas Invest. Co. 1p.
United States and General Trust Corp. deb. stk., 2½ pc.
Whitham Forest 7 pc Bds., 3½ pc.
Watney Mann deb. stk., 3 pc.
Wimpey (George) loan stk., 3 pc.

FRIDAY, OCTOBER 16

DIVIDEND & INTEREST PAYMENTS—
Kulick (Philip), 1p.
London City and Westcliff Properties, 9.55p.
Vectis Stone, 1.25p.

THE WEEK IN THE COURTS

The law and the family—a step forward

BY JUSTINIAN

A STEP forward in the right direction in the English legal system was taken last Monday when the Family Division of the High Court sat for the first time. Marriage and the family remain important human institutions, even in a permissive society; and their legal implications and consequences provide ample scope for the exclusive attention of a Division of High Court judges.

For over a hundred years, the Division of the High Court responsible for deciding matrimonial cases also dealt with disputes about wills and collisions between ships. Now, the wills have been transferred to the Chancery Division and the ships to the Queens Bench Division of the High Court.

Exclusive

For an equally long time, applications for the custody of children could be made, in effect, in any division of the High Court—by habeas corpus proceedings in the Queens Bench Division; in the Chancery Division by wardship actions; and in the former Probate Divorce and Admiralty Division by summonses for custody. Now, the Family Division has virtually exclusive jurisdiction in the High Court over the welfare of children. . .

Those are two improvements in the administration of the law. Equally admirable is the declaration of the president of the new Division that its proceedings will take place not only in the Law Courts in the Strand but in the various provincial centres where civil proceedings occur. Law, he said, should go to the people, not people to the law.

But does family law go to the people in the right way? At the moment, divorce proceedings, if undefended, tend to be tried in the county court; if defended, in the High Court. Should not the new Family Division be responsible for all divorce proceedings? Under the provisions of the Courts Act 1971, the High Court can sit anywhere in this country; and the county courts can be left free to deal with other matters.

Again, at present applications for a separation order, for maintenance and for custody, can be heard not only in the High Court but in local magistrates' courts. The majority of magistrates' courts are run by Justices of the Peace whose appointment is not based on any legal qualifications or know-how.

The rules on which they can grant a separation order are based mainly on the notion of a matrimonial offence which presupposes guilt in one party to the marriage, innocence in the other. The rules on which a divorce is granted are based on the somewhat different notion of an irretrievable breakdown of the marriage. The effect of a separation order is to entitle the husband and wife to live apart, and is, in effect, a legal recognition of the fact that the marriage has broken down.

Why should the law regulate separation orders by one standard and divorce decrees by another? Why should the responsibility for making separation orders be entrusted to the unpaid unqualified laity and the duty to dissolve the marriage to paid qualified lawyers?

Remedy

One of the snags of entrusting decisions about family matters to legally qualified judges is that at present and in the immediate future the majority of decisions are likely to be made by men. The remedy is to have a panel of judges. This should consist partly of lawyers, partly of non-lawyers: and it is not necessary to be a supporter of any Women's Liberation movement to realise that matters affecting a woman's future should not be decided solely or mainly by men.

The chief difficulties which arise when a marriage breaks down concern children, money and property; and these pose almost insoluble problems. In 1969 Lord Reid said that for the past 20 years the law of family assets was in an unsatisfactory state.

But he refused to consider whether property belonging to a husband or wife ought to be regarded as a "family property," because that would be introducing "a new conception" into English law. The advantage of a system of community of goods is that everyone knows from the very start of the marriage in what shares the property is held.

Bitterness

It avoids the artificial exercise of imputing to married couples intentions about the ownership of property when they had no intentions at all. People usually marry in a spirit of optimism in which no thought of separation or breakdown is in their minds, nor any division of property. It would decrease the number and bitterness of the disputes with which the courts have been encumbered.

In maintenance, the practical difficulty is in trying to award a sufficient sum where no sufficient sum can be found. This may result in an extra burden being put on the Supplementary Benefits Commission; and in many cases a decision about the maintenance which a husband should pay to his wife is also a decision on the distribution of public funds. If public money is involved indirectly, why should not this fact be recognised by the presence on the judicial panel of a member or official from this public body?

Jethou for sale in Channel Is.

By Our Own Correspondent

GUERNSEY, Oct. 10.

THE privately-occupied tax-free Channel Island of Jethou is to be vacated by its present tenants. It was disclosed here to-day by their land agent in St. Peter Port.

About 2½ miles from Guernsey, Jethou—which is Crown property—is the smallest inhabited Channel Island, and covers only 45 acres.

The present tenants, Mr. and Mrs. Angus Faed, the island's 22nd tenants—took over the unexpired portion of the lease in 1964. It now has some 24 years to run at an annual rental to the Crown of £100.

Mr. Joe Tingay, the Faeds' agent in Guernsey, said: "They are asking £40,000 for the lease, plus £5,000 for the effects. They have authorised me to say that they are leaving reluctantly in order that their four young children can get a proper education in Jersey."

Although Jethou's tenants pay no taxes, they are responsible for the maintenance of the island and the manor house.

Immigrant registration rule changed

THE IMMIGRANTS required to register annually under the new immigration laws will now do so at employment exchanges, instead of at police stations as first laid down. The Home Secretary, Mr. Reginald Maudling, accepted yesterday that he had agreed to this procedural amendment.

But he denied that it was as a result of strong criticism by immigrant and civil liberties organisations that the original plan could damage relations within immigrant communities.

Mr. Maudling said the move was "one way of reducing the burden on the police." After a recent examination of the Department of Employment, it was possible that it would take over from the police other functions concerning aliens, he added.

The immigrants affected by the requirements to register are "non-patrials"—those who cannot prove that at least one parent was a U.K. citizen.

Stronger links with offshore oil companies

By Our Own Correspondent

GLASGOW, Oct. 10.

THE Highlands and Islands Development Board will strengthen its contacts with companies involved in North Sea offshore oil exploration at an exhibition to be held in Great Yarmouth from October 19 to 22. The Board's chairman Sir Andrew Gilchrist, will head a team of executives at the Board's stand during the exhibition.

A spokesman said to-day that Oceanex '71 "gave a splendid opportunity to meet representatives of the companies involved in off-shore oil exploration and also companies providing services to the oil industry."

Recent developments in the North Sea involving a total investment of nearly £500m. are opening new markets for services, equipment and supplies.

Call for change in citrus compensation

DELEGATES representing the British fruit distributive trade, at their annual conference at Scarborough yesterday, agreed unanimously to present a memorandum to the Government urging changes in the proposed compensatory tax structure for citrus fruit, particularly during the transitional period which, delegates claim, will force prices up for the consumer and cut down supplies in the event of Britain joining the Common Market.

Mr. Dai Brown, a German-domiciled Welshman, representing the German fruit trade, told delegates the Germans, Dutch and Belgians wanted Britain in the EEC to counter the influence of the farmer-orientated members of the Market.

That related directly to the citrus fruits, where the fact that Italy produced a mere 5 per cent. entitled that country to insist on an unrealistically high reference price and consequently high compensatory import tax on Britain's traditional supplies of citrus.

Mr. Sidney Garber, a London delegate, pointed to the "absurdity of relating the reference price to Italian production costs which are uncompetitive and totally unrelated to any other citrus producing country in the world. It is the consumer who is again going to suffer."

Delegates expressed unreserved opposition to the proposal put forward to the British Government by the National Farmers Union for a compensatory tax to be paid on imported apples on an all-the-year-round basis. Delegates tried unsuccessfully to get the representative of the NFU to state the proposed level of the taxes.

Mr. Alick Glass, of Scotland, criticised the unfairness of the farmers' proposal "despite the fact that production by British and continental apple growers meets the demand of the consumer only for the winter months. The NFU is seeking compensation for that long period of the year when no British apples will be available anyway."

Mr. Ray Millington, of Ipswich, President of the National Federation of Fruit and Potato Trades, said the federation would act as watchdog for the interests of the British consumer as well as members on detailed aspects of entry into the Common Market "as it affects supplies and prices of each category of fruit and vegetables."

Education

The president said there was a tremendous educational job to be done both within the trade but particularly with the consumer in order to discourage absurdities.

Britain ranked very low in the international league of fruit eaters. Theirs was the least consumption in the Western world—less than one pound of fruit, vegetables and potatoes each per day.

Overseas News

IN BRIEF

● **BRITISH** Week in San Francisco closed on Saturday and was declared "an unqualified commercial success," by Mr. Michael Noble, the Minister for Trade. "The immediate results have been above expectations and—if the follow-up is good—it has been a very great success indeed," he said.

● **CHINESE** Premier Chou En-Lai has declared firm support for Zambia against an alleged military threat from South Africa, the new China news agency reports.

● **MOROCCO** and the Soviet Union signed accords on Sunday to cooperate in merchant shipping and to build a new hydro-electric power station near Marrakesh. The documents were signed a few hours before Premier Alexei Kosygin left Rabat for Moscow after a three-day official visit. Mr. Kosygin has accepted an invitation to visit Southern Yemen, but no date has been fixed yet.

● **NIGERIA** will hold a national population census in November 1973.

● **INDIA** successfully test-fired a short-range rocket for the first time on Saturday from its new launching facility at Sribarikota Island, about 30 miles north of Madras. Officials said the programe was mainly to check the system launching complex at Sribarikota, from where an Indian satellite is expected to be put into orbit in the next three or four years.

● **CHINA** has granted Ethiopia an interest free long term loan of about £33.5m. to be repaid with exports, the official Ethiopian news agency reported from Shanghai. China is also to send engineering and technical personnel to Ethiopia to render technical assistance.

● **VIENNA**: Both the Austrian Government and the Roman Catholic churches of Austria and Hungary were reported upset by Cardinal Jozsef Mindszenty's plans to come to Vienna to live. Government sources said this neutral nation feared Cardinal Mindszenty's presence here could harm relations with Hungary.

Sadat's future may depend on results of Moscow visit

BY RICHARO JOHNS, MIDDLE EAST CORRESPONDENT

PRESIDENT ANWAR SADAT left Cairo yesterday for talks in Moscow with the Soviet leadership from which he is expected to demand a more offensive military capability and a greater commitment, possibly extending beyond a mere diplomatic one, to help him resolve his acute political dilemma. On his way to Moscow he stopped overnight in Kuwait and will talk with the Shah of Iran at Tehran to-day for two hours.

Following Egypt's virtual rejection last week of the six point plan presented by Mr. William Rogers, the U.S. Secretary of State, for a partial settlement with Israel, he will be looking to the Soviet Union for this increased support so that he can increase pressure on Jerusalem to soften its terms.

Mr. Sadat's team includes his first Deputy Prime Minister, Mr. Aziz Sidky, ASU Central Committee first secretary Mr. Mohamed Abdel Zayyat, his national security adviser Mr. Hafez Ismail and the new Minister of State for Foreign Affairs Mr. Murad Ghaleb, who has just completed 10 years as ambassador to the USSR. The team will be joined in Moscow by Foreign Minister Mr. Mahmoud Riad who is flying in from the UN.

Egypt's War Minister, General Mohamed Sadek, has been in the Soviet capital since Thursday, holding discussions with Defence Minister Andrei Grechko.

Mr. Sadat will hope to get the answer to one question spelled out: will the Soviet-manned jets and missile bases go into action to defend Egyptian targets should Egypt provoke retaliatory Israeli action? The indications are that the Russians have been telling Egypt not to restart the fighting.

It is possible that his political future could depend on the outcome of the discussions because of the promise frequently repeated this year, that 1971 would be Egypt's "year of destiny," deciding whether the Middle East deadlock would be resolved by "peace or war." By this, the Egyptian President has meant that by the end of the year the position must be defined one way or the other. It is a pledge that the armed forces might hold him to.

Cold douche

The Russians for their part could find themselves in a difficult position. In the last three months in particular since Egypt helped to restore President Nimairi to power at the expense of the short-lived Marxist regime in Khartoum in July, there has been a discernible deterioration in relations between Cairo and Moscow. This has been a complete contradiction to what the Kremlin hoped for in the Soviet-Egyptian treaty of friendship signed in May.

In Washington officials have been at pains to stress that "the door is still open" for a partial settlement, involving limited Israeli withdrawal and the reopening of the Suez Canal, along the lines of the Rogers' proposals.

In his speech to UN General Assembly Mr. Mahmoud Riad, Egypt's Foreign Minister, took apparent care not to dismiss completely out of hand the Rogers' proposals. However he described them as a "trap" which could lead to a consolidation of the Israeli occupation of Arab territory. With Israel also throwing a cold douche on the Secretary of State's proposals the "cautious optimism" expressed in Washington appears at present to have only the slenderest of bases.

Before leaving, President Sadat, in an address to university professors, repeated conditions for a partial settlement all of which Israel has rejected. As reported by the newspaper Al Akhbar, he said that any cease-fire should be of only limited duration (he has formerly laid down a six month time period); Egyptian troops must be allowed to take up positions in Sinai: there should be no discussion of frontiers; the people of the Gaza Strip had the right to determine whether they would be independent or join Egypt—they would not be annexed by Israel.

Our Beirut Correspondent writes: The potential Arab-Iranian confrontation in the Gulf area is the main subject President Sadat will discuss with the Emir of Kuwait, Sheikh Sabah al Salem al Sabah, and the Shah of Iran, informed sources believe.

Mr. Sadat arrived in Kuwait on Sunday on a one-day visit. This is the first State visit to Kuwait and Tehran by any Egyptian President.

Kuwait, through official statements and in the Press, has recently expressed profound concern over the Shah's declaration his country will use force if need be to seize three islands in the Gulf after the British withdrawal from the area by the end of this year. The islands, Abu Musa and the Tumbs, now belong to Sharja and Ras al Khaimah.

Egypt, on the other hand, has given indications it does not want an Arab armed clash with Iran at the time all Arab energies should be devoted to the main confrontation with Israel.

Socialist victory in Austria

By Paul Lendvai

VIENNA, Oct. 10.

CHANCELLOR Kreisky's Socialist party has apparently achieved a resounding victory in to-day's general elections. With 56 per cent. of the votes counted, all computer predictions agree that the Socialists will win at least 92 seats out of a total of 183.

This means that for the first time in Austrian history the Socialists have captured the absolute majority in Parliament. They have been in power since March, 1970, but only on the basis of a minority Government.

Due to the new electoral law which raised the number of MPs from 165 to 183, to-day's results cannot be compared to the last poll which gave the Socialists 81, the People's Party 78 and the small Freedom Party six seats.

The Socialists appear to have won this surprisingly clear victory for several reasons, in particular the outstanding personality of Chancellor Kreisky, whose moderate and pragmatic programme appealed to the floating voters. Most of the Socialist Ministers, especially the young Finance Minister, Dr. H. Androsch, and the Minister of Education, Herr Gratz, established themselves as capable and moderate men.

Finally, the People's Party is in a leadership crisis and proved unable to regain its grip on the confidence of a wider public. Its attempt to appeal to the extreme Right through the candidacy of such "independent" figures as a former SS Captain and a Pan-German propagandist, appear to have backfired.

There is one snag to the Socialist victory. As they provide the President (Speaker) of the Parliament, this will reduce the Socialists to 91 votes on most occasions, one short of a majority. If they do get 92 seats, they will probably have to form a Coalition

Chancellor Kreisky has repeatedly rejected any idea of further nationalisations and is pledged to a programme which seeks to modernise, but not socialise, Austria.

Reuter adds: Dr. Karl Schleinzer, leader of the People's Party conceded defeat to-night as Chancellor Kreisky's party headed for victory.

Pakistan allows politics again—within limits

BY OUR OWN CORRESPONDENT

KARACHI, Oct. 10.

POLITICAL activities were resumed in Pakistan this morning following the lifting of a ban imposed by President Yahya Khan six months ago. But the President, acting as Chief Martial Law Administrator, imposed strict limits on the forms of activity allowed.

A new regulation forbids the propagation of "any opinion or act in any way prejudicial to the ideology or integrity or security of Pakistan or to any of the principles enunciated in the Legal Framework Order."

The ban, imposed after the Army crackdown in East Pakistan in March, has been lifted because of by-elections soon to be held for the vacant national and provincial assembly seats in the East wing. But the Awami League which was outlawed on March 26 remains banned.

The by-elections are for the seats formerly held by Awami League members who have been disqualified. After the December elections the Awami League had an overall majority in the National Assembly with 167 seats out of 313, and also won 288 of the 300 East Pakistan provincial assembly seats. In August the Pakistan authorities published lists of 88 National Assembly members and 94 provincial members of the party who would be allowed to retain their seats.

Reuter adds: The regulations specifically ban political pressure on schools, colleges and newspaper offices and presses. Party propaganda must not "transgress the limits of decent and fair criticism of any other political party or its members." Nor may it obstruct the "holding of by-elections to the national or provincial assembly." People engaged in politics face a maximum of three years detention if they violate the new rules.

In Moscow—Pravda accused Pakistan's military rulers of staging a "judicial reprisal" against Sheikh Mujibur Rahman. By putting him on trial they were attempting to shift responsibility for the crisis in East Pakistan to the Awami League and its leader, the paper declared.

It said the Soviet people demanded the release of Sheikh Mujibur and a political settlement in East Pakistan, taking into account the wishes, rights and legal interests of its people. They also demanded the safe return to their homes of the 9m. East Bengalis who have fled to neighbouring India, it added.

In Simla—The ruling Indian Congress Party ended a three-day conference to-day without adopting any specific measures to tackle India's economic problems which have been worsened by the influx of the East Pakistan refugees.

The party secretaries and the Planning Minister, Mr. Chidambaram Subramaniam, circulated papers admitting the difficulties facing the country. Mr. Subramaniam said industrial production had fallen short of expectations and that unemployment and rising prices were a matter of concern.

Mrs. Gandhi warned that India could no longer bear the burden of millions of refugees. She said the world community was giving "only lip sympathy" to the refugees and to India.

In New Delhi—Two of India's leading opposition parties have accused the ruling Congress Government of betraying the independence fight of the people of East Pakistan.

The parties were commenting on a speech by Foreign Minister Mr. Sweran Singh at Simla in which he said a political settlement of the East Pakistan crisis within the context of Pakistan would be acceptable to India.

Reuter and UPI

Japan in force at Canton

BY OUR OWN CORRESPONDENT

TOKYO, Oct. 10.

JAPAN plans to send 2,300 business representatives of 1,457 companies to the Chinese Export Commodities Fair which opens in Canton on October 15, according to the association for promotion of international trade, Japan To-day. It will be by far the largest single group of businessmen from any country attending the autumn fair.

Last year, Japan sent 1,408 traders representing 791 firms to Canton, an official of the association reported. He noted that this "illustrates the growing interest in Japan concerning increasing business relations with the Chinese."

It is expected that the massive Japanese effort will result in the signing of two-way trade orders valued at about $200m. At the spring fair this year, Japanese importers and exporters signed contracts worth $170m.

Among companies intending to send representatives to the month-long fair are 20 department stores, 12 supermarket chains, and ten leading trading houses. Honda Motor Company and the Sanwa Bank will take part in the fair for the first time. Many corporations are sending top executives.

Fujitsu Limited, one of Japan's largest business machine manufacturers, announced to-day it plans to send two senior executives to Canton to explore the possibilities of selling electronic computers to China. Fujitsu will be the first Japanese computer maker to send representatives to the fair. The Fujitsu mission hopes to discover what types of computers the Chinese have an interest in and whether their technical standards in this area are up to handling the more sophisticated computers. An official of the company said the firm interprets the embargo list of the Co-ordinating Committee for Export Control as not preventing the export to China of medium and small computers.

Meanwhile, executives of Hitachi Limited told reporters that the company currently is negotiating the sale of gas turbine power generators to China. Hitachi, a leading Japanese manufacturer of electric power equipment, would not reveal how many generators are involved or what the overall price is likely to be.

Hitachi recently made a conciliatory gesture towards China by informing Peking it did not intend to make any more business investments in Taiwan or South Korea.

Lanusse stronger after failed coup

BY OUR OWN CORRESPONDENT

BUENOS AIRES, Oct. 10.

PRESIDENT Alejandro Agustin Lanusse has emerged greatly strengthened from the attempted military revolt which failed with the surrender of its leaders 17 hours after it broke out on Friday afternoon.

Not only have most of the political parties—including the Communists—expressed support for the President and repudiated the revolution attempt, which was in part motivated by opposition to the recent fixing of elections for March 25, 1973. Perhaps more important, the Peronist-dominated General Confederation of Labour (CGT) has joined the political parties in their support for President Lanusse, whose endeavours to achieve a "great national accord" between Peronists and anti-Peronists it had opposed of late.

The demands of the revolt leaders seem muddled. On Friday night the movement's leader, Colonel Manuel Garcia—commanding officer of the tenth army regiment garrisoned at Azul deep in the Pampas—called it a "Nationalist Social-Christian" coup. The rebel communiques accused President Lanusse of "counter-revolution"—meaning that he had betrayed the original aims of the 1966 military take-over which were to put the country in order before permitting elections again.

The Government claims the rebels wanted to instal "Fascist" rule. It can be assumed that they wanted to restore the regime to the more dictatorial orientation it had under the first two military Presidents, Generals Juan Carlos Ongania and Roberto Marcelo Levingston. Gen. Levingston, deposed in March by President Lanusse, has been arrested. On Friday night he told a reporter of the official Telam news agency that the revolt which had begun that afternoon "terminates the counter-revolution."

Only the garrison at Azul and at Olavarria 25 miles from Azul—with a total of 2,000 army personnel—declared themselves in revolt. There was early speculation that the air force would join the movement, but both the air force and the navy remained loyal to President Lanusse.

The rebel leaders surrendered on Saturday morning to the loyalist forces which had surrounded the Azul and Olavarria garrisons and are now imprisoned in the General Pico garrison in La Pampa province just west of Buenos Aires Province. Five generals in the Buenos Aires area were also arrested.

Amin against restoration of kingdoms

By Our Own Correspondent

KAMPALA, Oct. 10.

PRESIDENT AMIN seems to have closed the door on hopes that Uganda's hereditary kingdoms, abolished by former President Obote in 1967, would be restored. In an independence anniversary speech yesterday he referred to strong pressure from Buganda, largest of the former kingdoms, for its restoration and said "clearly and categorically" that kingdoms would not be re-introduced.

Uganda must remain united with no divided loyalty, he said.

Referring to security, President Amin said the situation was now absolutely under control and the guerilla threat had been contained effectively. He made a special reference to the East African Community, which has been threatened by lack of communication with Tanzania which refuses to recognise the military regime here, and said Uganda would continue to give fullest co-operation and play her full role in the community.

KAUNDA MEETS STUDENTS

By Our Own Correspondent

LUSAKA, Oct. 10.

PRESIDENT KAUNDA met students at Zambia university in private for a three-hour session this week-end, freely answering challenging questions in an attempt to repair some of the damage to his popularity done by the closure of the campus, the temporary expulsion of the student executive, and the deportation of two popular lecturers.

Krag picks his Cabinet

BY OUR OWN CORRESPONDENT

COPENHAGEN, Oct. 10.

MEMBERS of the Social Democratic Party's old guard were chosen for the key positions in the 19-member Cabinet announced by the new Danish Prime Minister, Mr. J. O. Krag, on Saturday. The Administration will take office formally after being presented to King Frederik to-morrow morning.

Economic responsibility is split between Mr. Henry Gruenbaum, who returns to the position of Finance Minister, and Mr. Per Haekkerup, who becomes Minister for Budget and Wages. Mr. Haekkerup is a former Foreign Minister, and one of his first jobs will be to set up a capital market commission for the direction of the use of capital resources.

Denmark's negotiations with the European Communities will be in the hands of Mr. Ivar Noergaard, also returning to his old position as Market Affairs Minister, but this time with the title of Minister for Foreign Economic Policy. The post of Foreign Minister goes to Mr. K. B. Andersen, a leading critic of the American policies in Vietnam.

Mr. Erling Jensen, currently head of the Trade Union Congress College of Further Education, becomes Minister of Commerce and the Defence Ministry is in the hands of Mr. Kjeld Olesen, the man behind Social Democratic plans for major cuts in defence strength.

SPD scores resounding win

BY MALCOLM RUTHERFORD

BONN, Oct. 10.

THE SOCIAL DEMOCRATS (SPD) have won a striking victory in to-day's Bremen State elections and have regained the absolute majority in the Bremen Parliament they lost in 1967. The party's share of the vote rose from 46 per cent. four years ago to around 55 per cent.—easily the best performance in any State election since the SPD took over the government in Bonn in autumn 1969.

The size of the victory seems to have surprised even the SPD leadership, which was to-night rather at a loss to explain it. There is some feeling, however, that the SPD may have picked up middle of the road voters who were reacting against the apparent move to the right by the opposition Christian Democrats.

Amid a blaze of publicity the CDU last week elected Dr. Rainer Barzel as its new party chairman, a move which has been widely interpreted in the German Press as a victory for Herr Franz Josef Strauss. Both Dr. Barzel and Herr Strauss are strong critics of the Government's present Ostpolitik.

In any case, whatever the explanation, the Social Democrats in Bonn are likely to claim that the Ostpolitik has now received a decisive vote of confidence, perhaps the best it has ever had. The Government's nagging worries that the Bonn-Moscow treaty may fail to get through the Bundestag should be considerably eased.

The Christian Democrats also picked up votes, but fewer than they had been expecting. Their percentage share rose from 29.5 in the previous election four years ago to just under 32.

The chief casualties were the far right wing National Democrats (NPD) who have been voted out of the State Parliament altogether, and the Liberal Free Democrats, whose share of the vote fell from 10.8 per cent. in 1967 to 7.5 per cent. to-day. The NPD which in 1967 won 8.8 per cent. and eight seats, to-day polled less than 3 per cent. As a political force all State elections over the past year or so have suggested it is finished. The West German Communist Party, which fought a very active campaign, did only marginally better and also failed to be returned to Parliament.

The Free Democrats' poor performance, however, is rather a mixed blessing for the SPD. Until May there was an SPD-FDP coalition in Bremen on the lines of that in Bonn. The Free Democrats then walked out in protest against the Socialists' policy towards the new Bremen University. The SPD is likely to suggest renewing the coalition if only to prevent a deterioration of SPD-FDP relations in Bonn.

The two parties are now closely tied together because the CDU is still the majority party in Bonn, and even after the Federal elections in 1973 the Socialists might well still need FDP support if they are to go on governing.

Greek mini-Parliament

ATHENS, Oct. 10.

THE ARMY-BACKED Greek Government yesterday announced that elections would take place on November 28 to select a 75-member consultative committee to advise it on legislation. The decree establishing the consultative committee, known here as "Mini-Parliament," provides that it may debate and comment on drafts before they are passed by the Cabinet.

Its opinion is not binding on the Government and it does not have the power to initiate or enact legislation. The body debates the bills before they go for approval by the ruling military regime.

About 15,000 Greeks belonging to various professional and trade union organisations as well as mayors and town councils will vote on behalf of the country's 5.5m. electorate to select 120 members of the committee. Premier Mr. George Papadopoulos will narrow the number down to 60, and he will also appoint 15 more members of his personal choice.

The new Parliament, with an age limit between 25 to 55, will be elected for a two-year term and will sit from January 1 in Athens. It will replace the existing 56-member committee which was elected last year.

Reuter

SPORT 2: YACHTING

Wanted: More cash for Olympic hopes

BY ALEC BEILBY

BRITAIN'a Olympic yachtsmen have joined the ranks of other amateur sportsmen and their supporters wbo are seeking funds, over and above those available from the Britiah Olympic Committee, to enable them to compete in next year's Olympic Games in Germany. On a cost basis, yachting is second only to the equestrian events and is on a similar level to winter sports (whicb are being beld in Japan) hut yacbting is at present lying a disastrons last and beading for ridicule when the results of current fund raising efforts are considered.

The Royal Yacbting Association is the national administering authority for competitive and non-competitiva sailing, which includes our national Olympic effort, and in this capacity established the British Olympic Yachting Appeal. The Association estlmated that a sum of £20,000 per annum would be needed to ensure that our potential Olympic team eailors bave the chance to compete in all leadlng intarnational events at home and ahroad and also to eneure that the final team and reserves will be equipped with the hest physical and financial eupport availahle at Kiel next September.

Appeal schemes

Rohin Knox Johnston was appointed as Cbairman of the Appcal and belp was readily offered by 1968 Olympic Bronze Medallist, Rohin Aisher, and 1964 Olympic Silver Medallist Tony Morgan. An attractive Appeal brochure was prepared to wblch Prince Philip contributed a short hut straight-to-the-point introduction. The RYA offered belp by suggesting that all members of tbe Association's Council, the Yacbt Racing Divisional Commlttee and the Olympic Committee sbould put forward the names of three people wbom they knew personally and to wbom they would recommend a meeting witb the Olympic Appeal fund raisers. Three letters wera sent to eacb committee member from the Secretary-General of the RYA, Nigel Hacking, producing a mere bandful of replies. A personal written appeal from Rohin Knox Johnston to the secretaries of the 1,500 yacbt clubs affiliated to the RYA met with llttle more success.

Added to the efforts of Robin Knox Johnston bave been those of Monica Dixon, a young capable girl with more experience in fund raising than sailing, but with a personality that must make it hard for the board members of the companies she has visited to refuse an interview. Her task has been to initiate and follow up approaches to industry and, at the same time, co-ordinate a fund raising lecture tour that Knox Jobnston and Olympic Gold Medallist Iain Macdonald Smith are making during the winter months.

In splte of ber energy and enthusiasm, she is obviously disappointed. Since sbe began working in July she has visited many companies hut managed to raise only £2,500. She admits to more success with the individuals she meets than with companies as a whole and one director of a brewery gave ber £25 for the fund as a consolation prize for travelling out to Park Royal to see bim.

Where has the British Olympic Yachting Appeal gone wrong? The efforts of Knox Jobnston and his team are without question impressive, even if frustrated and the finger of suspicion must surely fall on the RYA, its 29,000 memhers and the 1,500 affiliated clubs who are apparently unahle to raise the sum among themselves. If Britain's yachtsmen cannot join together to find the money, then why abould British Industry, which will receive very little return in terms of advertising for their help, step in and take their place?

Arthur Slater, the Yorkshireman captaining the British team that will go to Australia this winter to compete for the Southern Cross Trophy in a series of ocean races, needed at least £25,000 to get the yachts and crews to Sydney. That was at the beginning of Septemher after a possible sponsor had dropped out at almost the last moment. With a worthwhile story to tell and with proof of support from ocean racing enthusiasts, Slater ralsed the necessary money in a little over five weeks from business associates and even business competitors.

Scapegoat

Instead of being tha fund-raislng organ for the RYA the BOYA seems as though it conld well become the scapegoat if the required target it not reached. If the RYA came out in the open and insisted that each of its members contributed a mere £1 personally or each of its affiliated clubs donated £10 (or the bar profits for one Saturday) the BOYA could then go to industry and ask them to match or at least support the efforts of those wbo enjoy yachting each year and who, at present, bathe in the reflected glory of Olympic yachting medals without contributing towards them.

Additions to Motorail network

Financial Times Reporter

BRITISH RAIL is planning four new services on its Motorail network in 1972 in a bid to capture a bigger sbare of tbe growing motorised boliday market.

During 1972 there will be space aboard Motorail trains, on 27 routes, for 120,000 cars and more than 500,000 people. Fares will go up by 5 per cent. on average, but there will be some lower rates for off-peak travel.

Special discounts on accommodation at 10 top British Transport hotels are to be offered to Motorail customers who will be able, for the first time, to purchase Motorail travel on credit.

These cbanges follow a major marketing exercise which has identified mora clearly the areas of greatest public demand. A few services, the exercise bas disclosed, are far from being commercial propositions and these will be withdrawn next year.

The four naw aervices will be:

Stirling-Dover—to meet growing calls from Scotland for diract connections with the Channel ports and with BR's Sealink car ferry and Seaspeed bovercraft services.

London (Kensington)-Carmarthen—to provide for the popularity of West Wales as a holiday area.

London (Kensington)-Carlisle (overnight)—as an addition to the present daytime service for tourists bound for the Lakes and Southern Scotland.

Birmingham (Sutton (Coldfield)-Inverness—providing a new link between tbe Midlands and tha Scottish Highlands.

The Stirling-Dover service will eliminate a 1,000-mile round drive, leaving Stirling at 2030 hours on Fridays and Saturdays to reach Dover Marine at 0725 on Saturdays and 0840 on Sundays. Tbere will be 16 car apaces available in each direction each night.

Larne car ferry

On the Kensington-Carmarthen run there will be a train every day except Sundays, with refreshment car facilities. The Kensington-Carlisle sarvice will run northwarda on Moodays and Wednesdays, returning on Tuesday and Tbursday nigbts. An arrival time of 0530 in Carlisle will give visitors to Ireland the chance to catcb the 1100 of the Stranraer to Larne car ferry.

The Sutton Coldfield-Inverness service will run once a week—northwards on Monday nights and back on Tuesday nights.

The York-Newcastle-Inverness service will revert to three trips a week in each direction. The Sbeffield-Newton Abhot service will lose one run a week with trains running westward on Friday and Sunday nigbts and back during the day on Fridays and overnight on Saturdays. Tynesiders will also have a special week-end service on this route.

Depression in ship freight rates confirmed

By James McDonald, Shipping Correspondent

THE DEPRESSING experience in the shipping industry during the third quarter of this year "has confirmed the ominous trend and forecast of early summer, that both freight rates and tonnage values were in for a severe beating," declares the London shipbroker and manager, Mullion and Co. (Shipping), in its latest ship sale and purchase report.

To some extent, it adds, the sharp falling-off in the number of sales concluded could be attributed to the "traditional third quarter malaise" but also the depressed dry cargo market shows no sign of a revival "despite an excess of 2m. gross tons being syphoned off the active market into lay-up."

The brokers believe the coming winter will be decisive for many ships built in the late 1950s as some owners have resisted selling, banking on a revival in freight rates during this current quarter.

Several factors combined during the third quarter to restrict the number of ship sales finalised, says Mullion, including the uncertainty about the world's monetary system triggered off by the floating of the U.S. dollar.

That alone caused an almost complete stoppage of business for several weeks "and is still at this moment acting adversely against a clear actuarial picture for other deals in the pipeline."

Nevertheless, the report suggests that values now may have fallen to a point where many sellers are unlikely to reduce their prices further because of the possibility of a marginal improvement in the freight market at the start of winter.

Tanker market

The oil tanker market remains depressed, with the report pointing out that Mullion's tanker freight index—comprising all the spot dirty rates in the major oil trades—in the past quarter averaged Worldscale 66.5, compared with Worldscale 227 in the corresponding period of 1970. "Any hope of improvement has been wiped out by the number of oil company relets, mainly Japanese, which have pillaged the market.

"At one time 20 Japanese tankers were all switched to the Gulf area as a result of cancelled business in Japan and undercut the attempts of commercial owners to negotiate improved rates. Current fixtures from the Gulf have again been in the Worldscale 30 to 40 range for single voyages."

It is not surprising, against the background of the present market, that the number of new shipbuilding contracts finalised has dried up to a trickle, declares the report. "The Japan Ship Exporters Associated indeed finds that only one new order, for a vessel of only 2,000 gross tons, was placed during August compared with orders totalling 287,000 tons received during the comparable month a year ago."

The position elsewhere in the world underlined the dilemma facing shipowners at present, with "rates and tonnage values at rock bottom and yet new building prices continuing to escalate."

Ford brings in Escort Sport

A NEW low price performance version of the Ford Escort which incorporates many features from both the race and rally winning Escort GT and RS 1600 models is announced by Ford.

Mr. Ron Platt, director of car sales, Ford of Britain, said the additional model was being introduced "to bring a true performance car within the reach of an even wider circle of buyers."

The Escort Sport has a claimed maximum speed of 99 m.p.h., accelerates from rest to 60 m.p.h. in less than 13 seconds, and costs £940 including delivery—except for Northern Ireland, where a delivery charge is levied.

The two-door body has the same flared front and rear wheel arches as the Mexico and RS 1600 models so as to accommodate the special 5 inch width 13 inch diameter road wheels. Wide radial ply tyres are fitted.

The engine is the same as on the Escort GT—1298 cc, highlift camshaft unit equipped with a twin choke Weber carburettor and producing 82 b.h.p. gross. Transmission consists of the normal GT close ratio gearbox and rear axle combination except that a slightly lower final drive ratio has been adopted to match the special wheel and tyre equipment.

Black PVC is the standard upholstery material but there is a choice of cloth trim at extra cost. Aeroflow heating and ventilation system and foot operated windscreen washers are standard.

PYE AWARDS FOR APPRENTICES

One of 1,200 students from all over Britain taking practical examinations in radio and television maintenance between now and next March will have a chance to win a cash prize of £200, plus an inscribed trophy, as Pye Apprentice of the Year.

To encourage higher standards of servicing, Pye is putting up annual prize money totalling £350 for an Apprentice of the Year scheme to be run in association with the Radio, Television and Electronics Examination Board and the Radio Industries Club.

The first three cash awards—£200 to the winner, and £100 and £50 to the runners-up—will be presented, along with the trophies, at a Radio Industries Club luncheon next October.

THE ARCHITECTURAL PROFESSION

Challenges from inside and out

BY H. A. N. BROCKMAN, Architecture Correspondent

FOR SOME YEARS it has been said that the architectural profession has arrived at a crossroads; but now a more apt metaphor would be a four-level major road intersection.

Not since the days of the "Battle of the Styles" has so much been written about it, only now it is less a matter of taking sides than of a wholesale derogation of the profession and all its works. Almost every criticism is unfavourable and the few who have had anything to say for to-day's architecture or its creators have mostly concerned themselves with individual buildings.

Struggle

The profession was the first to be called to account by the Prices and Incomes Board. It is now engaged in a struggle with the Monopolies Commission which wants to see architects throw away their professional status by offering their services on a competitive basis as between one architect and another and against the package dealers.

Architects were the first target of the Government of the day because among all the major professions, they are the only one wholly wrapped up with the building industry. You cannot have architecture without building, but unfortunately you can have a great deal of building without architecture. This, the architects believe, is precisely what you will get if they are forced to compete in the open market. The jobs would go mostly to those who asked the lowest fees; professional service would degenerate, and the public as users would undoubtedly suffer.

The majority of the 20,000 or so architects in this country are members of the Royal Institute of British Architects, although once they have passed its examinations there is no compulsion to remain so. There is also a smaller organisation, the Incorporated Association of Architects and Surveyors which covers two professions, with architects in the minority. And then there is the statutorily constituted Architects Registration Council of the United Kingdom, without whose blessing no one can call himself an architect.

The RIBA is facing internal problems of some severity in addition to being assailed from the outside by the Monopolies Commission and the public at large. The public, moreover, having given the profession some hard knocks, at least provides very strong evidence of the general interest now being taken in the visual aspects of our surroundings.

A number of strong-minded architects of all age groups consider, however, that anything they choose to impose on their clients and the public at large should be taken with as blind an acceptance as the medicine prescribed by a physician. But almost all these architects also cry out for "public participation" in the decisions made by society—and they will certainly discover that there is a point beyond which the public will not allow them to go.

Ignorant

The public, on the other hand, and very often the individual client, is woefully ignorant of what lies behind a complicated design and building process and why modern construction techniques cannot be economically expressed in traditional terms. Nevertheless, there are many ways of approaching aesthetic solutions to a design problem and some beautiful and completely acceptable buildings have been produced.

The RIBA finances certainly need bolstering up, and the recent decision to make very large increases in subscriptions has brought protests from those who feel that, whatever they pay the RIBA does not give them the support and protection the profession needs, their protests have forced a referendum. But the RIBA, by constitution, is not a trade union. What it can do is to provide its members with the many services they need to restore the image of a united profession and to watch over the conduct and professional integrity of its members.

There are other differences within the Institute, such as whether architects should be allowed to become directors of building companies, whether they should advertise or how they can limit their liabilities without becoming limited companies. (Private practices have already entered the first phase of individual advertising by being allowed to retain PR representation.) But a democratic Council has continued to support the integrity of the Institute against some very strong advocates of what is called a "more realistic" approach.

The 137-year-old Institute is worried about the effect the Industrial Relations Act will have on its members, particularly those in the employment of Government, public authorities and large industrial companies; these amount to some two-thirds of the membership. It seems that if architect employees were covered by the provisions of the Act they might very easily find themselves in conflict with their professional obligations in belonging to a negotiating body recognised by the Government; the problem is not yet solved.

On the positive side, however, a considerable victory has been won after the three-year-long negotiations with the Government on conditions of engagement governing the commissioning of architects on the huge building programme of the Department of the Environment.

Hitherto, the fee scale has been barely recognised and among local authorities there are those who force architects to work for reduced fees on large projects. The Minister responsible, Mr. Julian Amery, has now agreed to work to a revised fee scale and to bring pressure on local authorities to come into line.

The snag, however, is that the agreement is without prejudice to the findings of the Monopolies Commission which is now considering a submission by the Institute which leaves Mr. John Davies, of the DTI, in no doubt as to its views on professional practice; the Institute now has a strong case.

Dilemma

On the very threshold of the modern movement in 1914, Geoffrey Scott could not say more than that architecture was the art of organising a mob of craftsmen. When, by the 1950s, the architecture which is now so familiar to us had become universal, Sir John Summerson correctly summed up the position which has led to the present dilemma.

He wrote: "The architect must be at the centre of the building world or he is not an architect. . . . The architect is no longer the master of a small hierarchy of obsequious crafts. He is the co-ordinator in a sphere which has no clear hierarchy and where many of the contributory skills are as developed and as specialised as his own. He stands in a challenged critical position and only his own analysis and appreciation of it will pull him—and architecture—through."

If this was true 15 years ago it is emphatically so at the moment. Unfortunately the profession has not so far ceased its own masochistic self-analysis and has not yet arrived at the proper appreciation of this truth, which would enable it to reach a sense of direction and leave it free to get on with the job.

Inadequate

It is no good architects protesting that they are "leaders of the team" unless they have the ability to lead. While many of them are so obsessed with their own inadequacies and frustrations, to the extent of defending themselves by posing as the saviours of society, they will merely remain inadequate; they are nevertheless the makers of the viable environment and should be recognised as such, despite all their difficulties.

Presidents come and go, as they must, and the RIBA has been led by some eminent and self-effacing characters in recent years. But it is only now being appreciated that the profession needs a voice—the voice of a Lord Reith, dedicated and strong, which can continuously give it direction and at the same time make it known widely as a wholly professional and creative activity.

Japan's steelmakers may soon dominate bulk cargo freights

BY JAMES McDONALD, SHIPPING CORRESPONDENT

A REPORT suggesting that Japan may be the world's biggest steelmaker by 1980, generating about 75 per cent. of the demand for sea transport of iron ore and coal and therefore having a dominant influence upon the level of bulk cargo freight rates, has been produced by Maritime Transport Research, part of the U.K. Shipbuilders' and Repairers' National Association.

The report is disturbing, not because Japan as a particular nation, may become the dominant influence, but because it would seem to be unhealthy for world seaborne trade generally to be so dependent upon the fortunes or misfortunes of any giant industrial nation.

The Maritime Transport Research Report—65 pages of fairly readable summaries of statistics, graphs and conclusions offered to subscribers at £60 per copy—is titled The Sea Trades in Iron Ore and Coal.

Starting from the basis that there are to-day only four major steel producing areas—Western Europe, the U.S., the U.S.S.R. and Japan—the report says that each produces about 100m. tons of steel per year but with only western Europe and Japan importing iron and ore and coal on a large scale.

On an "A to Z" basis, the conclusions of the report go on to say:

1 By 1980, world demand for sea transport of both iron ore and coal should more than double.

2—While European imports of iron ore are likely to grow by over 50 per cent. by 1980 and of coal by over 35 per cent., "Japanese imports of iron ore and coal are likely to grow by over 160 per cent. by 1980."

3—Japan is now the most efficient steelmaker in the world and may be the biggest by 1980: its steel production grew at the rate of 16 per cent. per year in the 1960s and may average *about 10 per cent. a year* in the 1970s.

4—The current Japanese recession is no more than a "hesitation" between these two long-term growth periods.

Stressing the importance of iron ore and coal in the world's bulk seaborne trades, the report's conclusions point out that—in the context of total dry cargo ton-mile demand, iron ore and coal represented 25 per cent. of the dry cargo total in 1960, 33 per cent. in 1969 and, projecting, should account for 43 per cent. in 1980 "and thereby increasingly set the tone of the whole dry cargo market."

Dominating

The report says that, in the context of total bulk transport demand, Japan represented 25 per cent. in 1964 and 39 per cent. in 1968. By 1975 the study foresees that the Japanese proportion will have risen to 50 per cent. and by 1980 to 55 per cent., effectively controlling "the whole market."

The conclusions are based on a considerable number of statistics from many sources and the report stresses that its forecasts are not firm estimates but no more than an indication of trend over a period of time. For example, it is assumed that the Suez Canal will be open by 1975.

However accurate the forecasts may turn out to be, there is no doubt that already Japan's economy and its demands for oil, ore and coal already have a near-dominating effect upon the world's seaborne bulk commodity trades.

Over the past year a decline in demand by the Japanese for oil and for other bulk commodities has led to a considerable recession in the world level of tramp freight rates for tankers and dry-bulk carriers.

Changes in S. Wales overseas trade

By Our Own Correspondent

CARDIFF, OCT. 10.

IMPORTANT MOVEMENTS have been taking place in the import and export trade of South Wales. Returns for the first nine months of the year by the British Transport Docks Board show that iron and steel imports, at 327,000 tons, were cut by almost half, while exports were over 1m. tons, a rise of a third compared with the corresponding period last year.

A record 5m. tons of iron ore was imported for steel works. There has also been a continued rise in Australian and American coal imports for power stations and steel works.

Imports were 1.15m. tons, while exports at only 970,000 tons were 25 per cent. below last year.

Coal imports this year have substantially augmented the stocks held by power stations. They represented 9.5 weeks' consumption in mid-September, against 7.6m. tons a year ago, and the undistributed stocks held by the National Coal Board were 9.7m. tons, almost the same as a year ago.

Steam specials 'worth £250,000 to Rail Board'

STEAM TRAIN "specials" are worth £250,000 a year to British Rail, said Mr. Peter Prior, managing director of H. P. Bulmer, the cidar company which cares for the 44-year-old King George V engine. It arrived back at the week-end at Hereford after an eight-day trip including Oxford, London, Birmingham and Swindon.

A British Rail spokesman said earlier that they were "reviewing our ban on steam and there could be a change now that this tour has gone so well."

BR said the George V was the only steam locomotive still owned by the Board. Others had gone for scrap.

Ulster Republicans study plans for Stormont's rival

BY DOMINICK J. COYLE, DUBLIN CORRESPONDENT

MONAGHAN, Oct. 10.

MILITANT REPUBLICANS and political activists from many parts of Northern Ireland have been meeting here to plan the *establishment of the new Ulster* Parliament (Dail Uladh) proposed by the army council of the IRA Provisionals.

The meeting, which took place in St. MacArtan's Hall here in Monaghan, within six miles of the border was discreetly "supervised" by Irish Police and Special Branch officers drafted into the area in recent weeks.

Less than 20 miles further down the road towards Cavan Town, where Northern Ireland territory juts across the highway for little more than 1,000 yards, British troops had set up a road block, no doubt aimed at capturing any leading IRA men travelling to the Monaghan convention.

On the road, some 30 miles east of the town, Irish Police and army personnel also manned many road junctions, presumably as part of an advance guard for Mr. Jack Lynch, the Irish Prime Minister, who was travelling to Dundalk to speak at the national convention of the Junior Chamber of Commerce.

To complete the picture, and certainly to compound the confusion for outside observers, Monaghan's Western Hotel was the venue for a "peace conference" on Ulster convened jointly by an Irish priest and a north of Ireland clergyman.

Newsmen covering the Irish crisis for the past couple of years have to move pretty fast at the best of times, but since Saturday's peace conference and the Dail Uladh convention were inconveniently scheduled for the same time, I settled somewhat cautiously for the latter. That, I now suspect, was a mistake.

If leading IRA men turned up at St. MacArtan's Hall, they successfully managed to conceal their identity. The very attractive and obviously English (from the accent and "mod" gear) secretary checking the credentials of the arriving delegates sought no verification of my own status. On the contrary, she seemed more than a little impressed that the Financial Times should have come to witness the proceedings.

These proceedings—or at least the public session open to the Press—were harmless in the extreme. Certainly Mr Brian Faulkner and his government colleagues at Stormont can have little immediately to worry about if this convention represented the extent of the Dail Uladh challenge on the political front.

Mr. Frank McManus, one of the Northern Ireland MPs at Westminster, explained that Dail Uladh was a proposal to establish a regional parliament for the nine counties of Ulster as a first step towards a new governmental structure for the whole of Ireland—under a new federal administration in Dublin, but not the present Lynch Government.

It would have a democratically elected assembly representative of "Catholics and Protestants, Orange and Green, Left and Right." In a nutshell, it was proposed as an Ulster parliament for the Ulster people.

Standing in

To be quite fair to Mr. McManus, he did explain that he could not tell us very much since he was only standing in (at 10 minutes notice, he claimed) for Mr. Paddy Kennedy, the Northern Ireland Republican/Labour MP at Stormont who had been on a tour in the United States collecting money and who was, apparently, currently on his way by road from Shannon Airport to Monaghan. He, incidentally, had not made it here before I departed for pastures new—both orange and green—further along the frontier line.

Mr. Peadar Mac Gaothain, the new full-time secretary of the Dail Uladh movement, who democratically disclosed to the 100 or so delegates attending "from all parts of Ulster" that his salary was £10 a week, reported on the committee's work in co-ordinating the civil disobedience campaign in the north, on the temporary loss of two North of Ireland delegates as a result of their internment, on the drafting of a constitution for Dail Uladh and, finally, on the finances of the movement. Funds, in fact, seem rather precarious, since only £520 has been collected or contributed since the movement was first launched in August.

The draft constitution was introduced by one of its authors, Mr. Rory O'Bradaigh, president of Sinn Fein (Kevin Street), the political wing of the IRA "Provisionals," and he told delegates that a preliminary memorandum on structure, including details on how the movement intended winning popular support for the proposed parliament, would be disclosed later, when the Press had departed!

Meanwhile, Mr. O'Bradaigh emphasised that Dail Uladh should grow on a gradual basis by being promoted in towns and villages, in factories and in blocks of flats, eventually blossoming forth into a full-scale provincial assembly.

Mr. Mac Gaothain admitted having written to a number of (unnamed) people about the proposals, but he had had no detailed replies. It seems, to quote his own words, that the *Dail Uladh* concept is "too new and too revolutionary." But there had been some encouraging support in general terms, and they would all be back again here in Monaghan on October 30 for a full-dress convention at which time, I gathered, even the Press might be told all.

Considering the obvious and deadly effectiveness of the IRA Provisionals on the streets of Belfast and elsewhere in Northern Ireland in recent months, I could not but think that the movement must be capable of mounting a much more efficient and effective political show than we witnessed here. On the other hand, Saturday's convention left unanswered the main question as to whether the Provisionals are really actively promoting the Dail Uladh idea, or merely operating on the fringes of a new political movement being developed by others.

'More than 80 Tory promises fulfilled'

BY ELSBETH GANGUIN

THE progress made by the Conservative Government in fulfilling "more than 80" of the promises made at the time of the last General Election is traced in a booklet, Year of Achievement, published to-day by the Conservative Central Office.

Prices were still rising too fast. "But for the first time since Labour devalued the pound in 1967 there are clear signs that the tide of cost inflation is being turned back."

Unemployment was still too high. "But for the first time in years the economy is set firmly on a course of expansion."

Social blackspots

There were still too many social blackspots, although policy priorities were being straightened out to bring effective action on the worst problems.

Taxes were coming down; the pound was strong, with reserves standing at record levels. Debts were being repaid; the Bank Rate was lower than at any time since the last Conservative Government had left office. People were saving more; the decline in the housing programme had been checked. The number of strikes had started to fall.

The Industrial Relations Act had been passed. The machinery of government had been modernised. The burden of State spending had been reduced, and its pattern reshaped. The transition to an expansionist agricultural policy had started.

"Detailed proposals have been announced for the biggest reform and simplification of taxation this century; for a long over due reform of local government; for major improvements in the working of the National Health Service; for overhauling the whole system of housing subsidies; for a completely new pensions scheme."

The booklet further refers to the "great diplomatic success" of the Common Market negotiations. It discusses the Conservative strategy, and contrasts this with Labour's policies, regarding inflation, taxation, and incentives, and its policy for industry, for social priorities, including education, housing, and pensions. There is a section on "freedom under the Law," on race relations, and the environment, and 24 out of the booklet's 48 pages are devoted to a detailed account of the fulfilled promises.

A Year of Achievement, Conservative Central Office, 32 Smith Square, SW, 15p.

"No sign of sustained growth plan"

THERE is no sign that the Government has evolved a method for ensuring sustained growth. On present evidence, the current move towards expansion seems unlikely to prove more solidly based than that of 1963-64.

This is claimed in a *memorandum* published by PEST (Pressure for Economic and Social Toryism), written by Prof. D. Hague, Manchester Business School, and Mr. Nicholas Scott, MP, and which is signed by 12 Conservative backbenchers and four academic economists, among others.

Recent measures would increase the rate of growth and reduce unemployment, but they were not effective for maintaining the balance of payments surplus or reducing the rate of price increase, it is suggested.

Unless price inflation could be slowed down, a *satisfactory* surplus on the balance of payments at the current exchange rate would be attainable only if there was unacceptably high unemployment and slow growth.

If price inflation were to be slowed down, the CBI initiative had to be reinforced by a mechanism to slow down increases in incomes. This autumn would be a good time to try to introduce an incomes strategy. A largely *voluntary policy with some minimal* long-stop provision was likely to achieve the best mix of acceptability and effectiveness, the memorandum stresses.

It would need to be agreed that wages and salaries would not fall below an agreed percentage of the GNP, leaving room for sufficient profit to make the investments necessary to sustain economic growth. The position of the genuinely low-paid would have to be improved, relative to the remainder of the population. Some version of the TUC's suggestion regarding "threshold agreements" should be included.

If the Government decided that even a modest incomes strategy were not practicable, it "must then opt for exchange rate flexibility."

Government 'victimising' married women students

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE GOVERNMENT has been accused of victimising married women students whose husbands go out to work, by the National Union of Students.

These women are the only students among the 500,000 in this country who did not receive a rise in their grants at the start of the new academic year. Their case is to be discussed tomorrow by the Women's National Commission of which Mrs. Margaret Thatcher, Secretary for Education, is co-chairman.

An NUS spokesman said yesterday: "No matter how little their husbands earn, these women are treated as 'privileged students'."

Their maximum rate of grant is £275 a year, and has stayed at this figure since 1965, the spokesman added. In contrast, the maximum grant for a single student living at home is £345 and single students living away from home can receive up to £430.

If a student marries and her husband is working during her course or while she is under 21 her grant continues to be assessed on her father's income.

If her father has a large income, her grant is reduced even though her father may no longer be giving financial help to her and her husband. If her father's income is low, her grant falls anyway from what it was previously to the £275.

The NUS tried to win an increase for married students with working husbands, during the grants negotiations last spring. "But this increase was refused as a matter of Government policy," the union spokesman said.

Concern at electricity bad debts

By Our Own Correspondent

DERBY, Oct. 10.

BECAUSE OF the increasing number of bad debts, more new electricity consumers in the East Midlands are being asked for references before supplies are provided.

The measures have been announced by the East Midlands Electricity Consultative Council, which said that the mounting number of bad debts was causing concern. A warning was also given that too many people were delaying payment of accounts, and that stronger measures would be taken against them.

Of the bad debts, the council said: "This is a national trend which stems mainly from the fact that more and more people are moving their homes, often without informing the Board.

"To reduce these debts, the Board is now requesting references from new consumers in those cases where the persons concerned are not previously known to the Board.

"Where references or other evidence of credit-worthiness cannot be obtained, the Board is applying more rigorously its policy of seeking deposits against payment of the future account."

Driver blamed for Scottish train crash

The driver of a passenger train which collided with another outside Glasgow Central Station—injuring two passengers—has been blamed for the accident. He is Mr. Thomas Hatherall. In his report of the accident Major C. F. Rose, Ministry Inspector of Railways, clears the signalling system at the station.

The accident happened on October 19 last year, when a Glasgow to Gourock train, driven by Driver Hatherall, passed two signals at danger and collided with the side of a Glasgow to Ayr train.

The inspector says driver Hatherall did not pay proper attention to the signals.

The current signalling failure at Glasgow Central "is not significantly higher than at other comparable installations and such failures as do occur are not such as to affect in a dangerous manner the relay interlocking or the point and signals."

JOHN K. GILLIAT APPOINTS AGENT FOR NIGERIA

John K. Gilliat and Co., the export merchanting and confirming subsidiary of merchant bankers Arbuthnot Latham, has appointed Pan-African Export and Import Company as sole agent to negotiate export sales to Nigeria.

Gilliat has arranged an initial credit of £1m. which will be made available to Nigerian buyers on a short or medium term basis according to the value and category of the goods.

هكذا وجد الأصل

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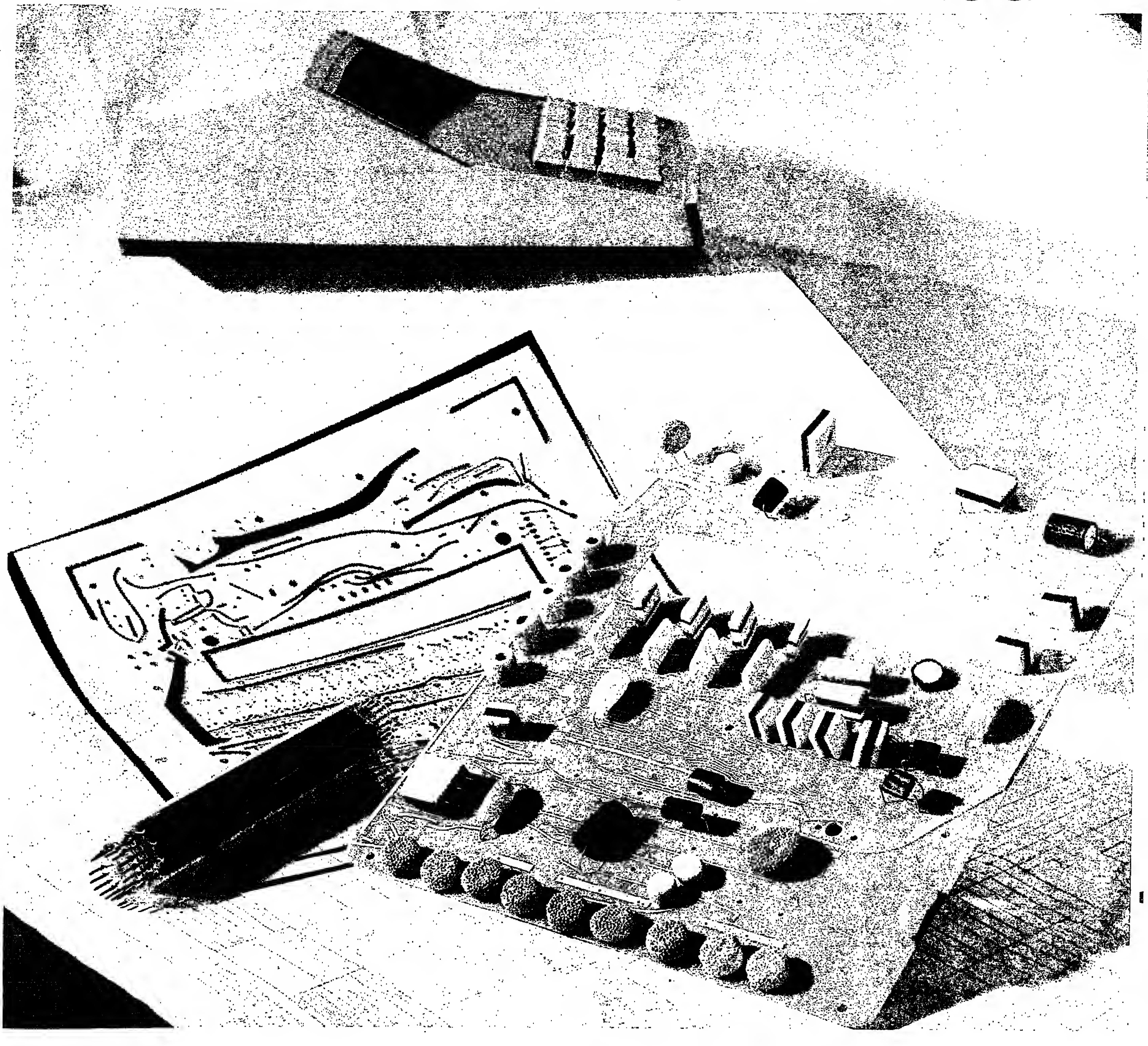

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Add to all this, superb design incorporating the latest technology and the best possible components, and BROCK is already a world-beater without having to be competitive in its pricing — yet there is no known cheaper machine, regardless of its specification. The BROCK 880/1 range starts at £95 and the 140/2 at £150 and they are all British.

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Better still, let us badger you into visiting us on STAND 11a at the Business Efficiency Exhibition this week. Lots of BROCKs are waiting to work for you, and if you can place your order on the stand, Data Devices will give £1 to the World Wild-Life Fund. We're not only interested in Badgers.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

Aid to component quality

AN ION implantation focility ot Mullard Research Laboratories is assisting semiconductor research. First operational towords the end of 1969 it is being extended and developed.

Conventionally, selected impurities are introduced into a slice of the semiconductor material through apertures in a mask when the slice is exposed to appropriate vapour in a diffusion furnace. Penetration, concentration, definitioo and composition are controlled by furnace conditions.

With ion implantation, the impurity is introduced into an "ion source" from which a beam of positively charged ions is extracted. This beam will contain ion species other than the main dopant, and after electrostatic acceleration to a well defined energy, the ion species are sorted out by a form of "magnetic prism" into separate beams, any one of which may be selected for implantation.

Apparatus at MRL is based on an isotope separotor by Daofysik of Denmark, and is used primarily for Mullard semiconductor research programmes although it has been possible to offer limited assistance to universities and research centres in the U.K. as well as in Europe and in the U.S. Species can be implanted at energies up to 200 kV, at temperatures between 77 and 900 degrees absolute and with a wide range of incident angles.

The odvantages of implantation include more precise control of the purity, uniformity, definition and penetration of the dopant, and more freedom to select the dopant concentration in a way which is not possible with conventional thermal diffusion. There are many possible applications for ion implantation, outside the field of semiconductors. The technique can be used wheo the basic property of a material needs to he changed by the precise introduction of atoms through or onto the surface of the material to a depth of a fraction of a micron.

Meanwhile, the company has begun to market a clear wide-angle display that can be easily read under unfavourable lighting conditions based on new alphanumeric indicator tubes.

These are cold-cathode glow-discharge devices that present an extremely wide ranga of characters—anything stored in a read-only memory, which includes most of the characters on a typewriter as well as several mothemotical symbols. Measuring only 19 x 12 x 5 mm, they are smaller than the conventional glow-discharge tubes which can show only a limited number of characters.

They are formed by the selection of dots in a planar array of 7 x 5, each dot being the negative glow near a cathode recessed below the glass surface; decimal points are formed by othar dots not part of the planar arrays.

Information on both the ion implantation service and the new displays can he obtained from the company at Mullard House, Torrington Place, London, WC1E 7HD.

● MATERIALS

Smooth skin ceramic

AN ALUMINA ceramic substrata with "as-fired" surface finishes of 5 microinches centre line average, ond typically of 3.5 microinches, is availabla from Pilkington.

Its flat and smooth surfaces, which cut out the need for polishing, ollow the deposition of sophisticated circuitry. Closer and better line definition and continuity right to the substrate edge are possible.

The substrate is marketed in the U.K. and Western Europe by Chance-Pilkington and a first order has come from an international Europaan electrical engineering company for substantial quantities for large-scale testing. The aubstrate is manufactured hy a new patented process developed at a cost of £350,000 by the Canadian firm Duplate, a Pilkington associate company.

In the process the aluminium oxide dough is continuously rolled to obtain a polished sheet before firing. Electron microscope seans of the fired-substrate show the crystal faces forming a flat mosaic-like pattern with the individual grains in intimate contact.

The standard thickness tolerance of the subatrate is plus or minus 0.003 inch. Camber is a maximum 0.004 inch per inch. A better thickness tolerance of 0.001 inch and a camber maximum of 0.002 inch per inch are also available.

Suitable for a wide range of electronic microcircuitry, the substrate is 99.7 per cent. aluminium oxide. Its flexural strength is 50,000 psi and it has a thermal conductivity of 0.075 cgs units at 25C. It is intended mainly for thin film work but is suitable for thick film processes where high density circuits are deposited.

● METALWORKING

Piston rings measured accurately

UP TO 4,500 piston rings per hour are being measured with the aid of an electronic gauging system at Wellworthy's factory in Lymington, Hants.

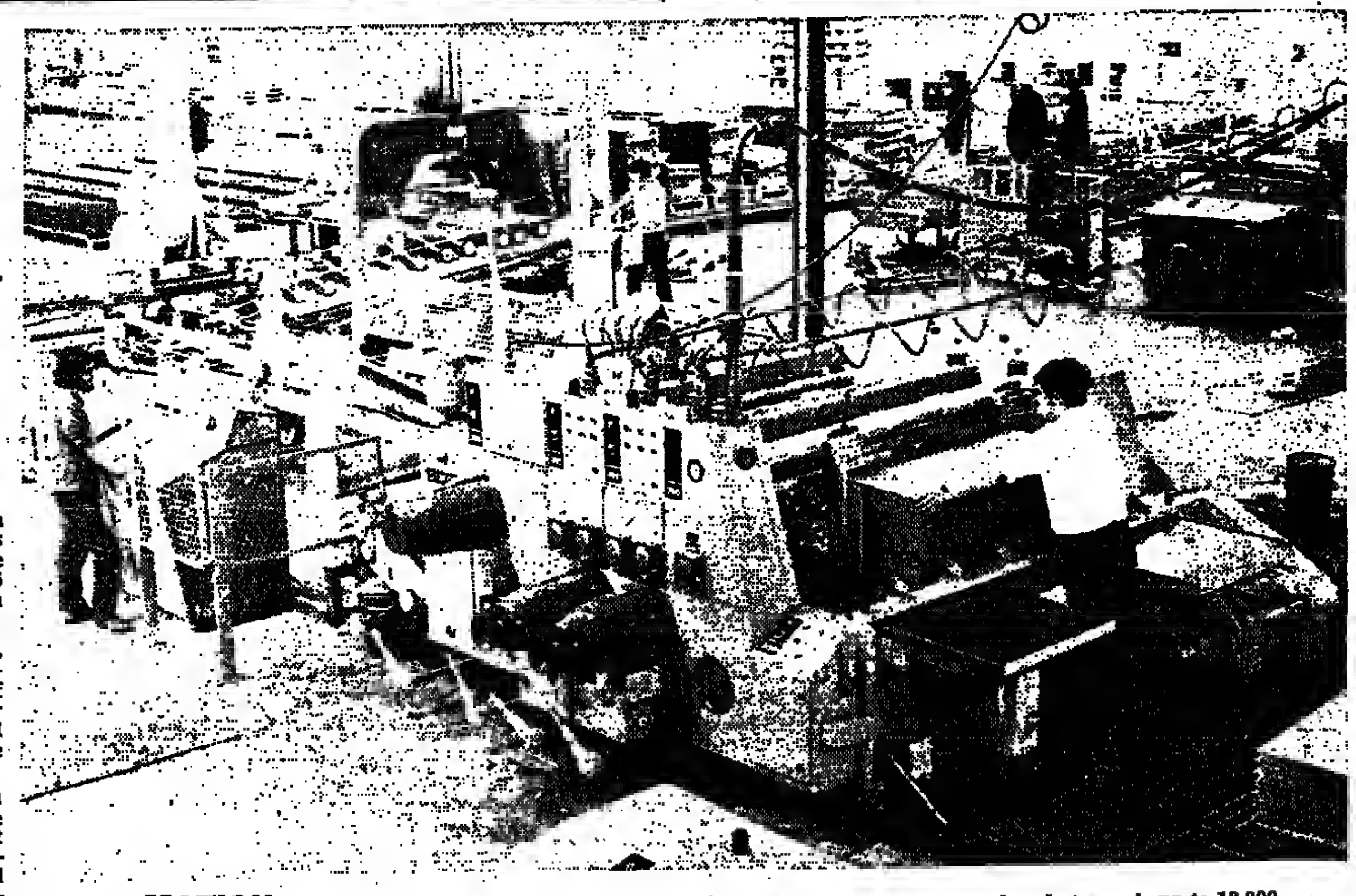
The system, developed by Thomas Mercer of St. Albans, is installed between a honing machine and the ring collecting station and it checks width at two points across a chord of the ring to a tolerance of plus 0.0001 inch.

Each component is checked after honing without slowing the production rate and it is stated that this method of in-line gauging has reduced the possibility of faulty rings escaping detection until the final overall inspection.

Previously, gauging had always been carried out manually on a selective basis with a micrometer or o comparator consisting of a dial gauge and stand. The operator could only check one ring in every four due to the speed of production.

The system is made up from a special 4-probe version of the Mercer 355 modular unit connected to four tungsten-carbide tipped probes. After leaving the honing machine, the ring passes between two vertical probes, which measure its thickness at two points.

The readings are indicated consecutively on a dial and if both are unacceptable a red master light signals "reject" and the operator stops the honing machine. A green light is used to signal "accept."



Corrugated boxes can be produced at speeds up to 18,000 an hour on this machine, installed in Ashton Containers' new factory at Livingston, Scotland. The machine was built by tha Container Machinery Division of Henry Simon.

● AUTOMATION

Textile process control

RECENT developments in the textile industry foreshadow even faster expansion for the man-made fibres industry, and the companies which supply it with highly specialised machinery and equipment. Fielden Electronics of Paston Road, Wythenshawe, Manchaster, M22 4TX, a member of the George Kent Group, expects to increase its share of control instrumentstion in textiles by the introduction of flexible data logging system for yarn processing machines such as draw twisting and texturising units. Its introduction is in keeping with the constant improvement in yarn quality and machine efficiency in tha industry.

Although primarily designad for the textile industry, the system is expected to find applications in many other industries logging extrusion bead temperatures, mix tamperatures in the food industry, and hattery life testing.

The 300 series data logger measures and records parameters such as temperatures, machine speeds, ends down (broken yarn) etc. All parameters can be recorded, or only those in error can be recorded continuously, at regular intervals, or on demand. Observation of the recorded parameters allows adjustments and corrections to be made quickly when a fault occurs so that top quality yarn can be re-established without delay, minimising spoilage. This contrasts with the existing method of checking where for instance each spinner speed is measured individually by band.

Since there might be 100 spinner units on just one machine a considerable amount of spoiled yarn can be produced before an incorrect spinner speed is observed.

The system consists of a series of units which can be selected and supplied in o single console form to suit the specific applications. Some of the units already available include reed relay scanner modules, analogue ond digital off-limit modules, compensating and linearising modules for resistance bulb and thermocouple inputs, o digital voltmeter module, ends down and spinner speed modules, clock and calendar modules, various printer drive modules and print suppression modules.

Weighing to closer tolerances

BRITISH markets are the target for a sales drive by Telemecanique with its SJ8-DP analogue weighing systems.

Automatic in operation, they are based on the comparison of voltages at the terminals of two potentiometers, one of which is used for the pre-selection of the weight to be measured and the other is linked to the pointer indicating the weight.

The first potential is proportional to the theoretical weight to be measured and the second to the weight of the material which is to be discharged into the weigh hopper; when the two become equal a signal is given to stop the discharge.

Additional facilities allow for the amount still liable to drop into the weigh hopper after the stop signal has been given. This stop signal is then arranged so that it is given before the signal from the weight indicator equals the reference signal.

In order to keep the transit error to a minimum, the discharge rate can be reduced before the stop point is reached. Multiples or sub-multiples of the preselected weights are obtainable via a selector switch.

Programming can he either by potential or by digital devices such as punch card, punch tana or decade switches, and in the case of digital devices a digital/analogue convertar would be provided.

The equipment can be used to weigh several products in succession and print-out facilities will be available, so that there can be built up a whole family of units from simple weighing devices to fully automated weighing and batching plants.

Telemecanique Electrique (G.B.) is ot Henwood, Ashford, Kent. The parent company already has experience with close on 200 automatic systems installed in Europe.

● OFFICE EQUIPMENT

Applying new techniques

SEVERAL leading manufacturers have held back a number of interesting products either to unveil them at the Business Efficiency Exhibition proper, or as near to the time of the event as possible.

One unit the Rank Organisation has been keeping up its sleeve since it took over English Numbering Machines late in 1970 is a piece of equipment intended to capture data, either at point of sala or at any point most convenient to the user, and transform it without delay into computer-processable information.

"Enscriber" is the name given to the unit which gives the user virtually o free hand in deciding the format of the information and the contents of the format. Output of the device is on to a magnetic tape cassette which can contain about enough for a full day's work for one operator.

Working with this unit is o reader/pooler which translates the information on the cassette into data on a computer tape at speeds of 85,000 characters in around 2½ minutes. It has facilities for error correction and like the preceding unit can be rented from the compony.

A third piece of equipment will take tha contents of o cassette and transmit it to o computer for immediote use. Thus, Rank is offering all the elements of a point-of-sale data capture and processing system.

The company is providing, besides the rental scheme, o payment arrangement whereby charges are made according to the amount of use of the units. A meter mounted in the Enscriber keeps track of what is owed to the manufacturer.

● Block and Anderson have moved into the minicomputer field with a compact machine having a version of Cobol as its programming language and a cycle time of 1.2 millisecond.

Bandata 4200 can be used with an exchangeable disc backing store with a maximum capacity of more than 5m. bytes.

● Business Computers have moved out of the Sadie/Susie era into the much more ambitious Molecular 18 systems which offer the small commercial user a great deal of what the much larger machines of only a year or two ago could provide.

The title of the systems covers a multitude of sub-units covering heavy duty input/output writers, tape punches and readers, serial printer, line printer, disc drive and so on.

BCL has moved a long way from the comparative inflexibility of the first small business machines it launched with great success at BEE some six years ago and is taking on most data processing machine makers rather than the four or five whose markets it was attacking hitherto.

● Designed by the team which did the initial work on the first magnetic card cash dispenser is the Dataplexer, a machine which uses magnetic card technology to speed up report writing, the production of personalised letters the completion of complex sets of forms for customs and other purposes.

It is built up from an input/output typewriter connected to a desk-top unit which houses electronic logic and two magnetic card reoders.

Informotion entered at the keyboard is simultaneously captured and entered on the cards. Subsequent operation of the set to turn out high-grade copy is outomotic and controlled by programs selected and run according to standard instructions easily understood by any competent typist.

This is only the first of a family of machines thot Dataplex—which operates from 170a, Oval Rood, Croydon, Surrey—is contemplating. Prototypes of four other machines to transform, transmit or otherwise operate on business information are nearing completion and such is the interest of overseas companies that already 100 of the first unit have been ordered by a Dutch company.

Probably the most attractive feature of the new equipment is the ease with which it permits absolutely error-free documents to be turned out.

● COMPUTERS

IBM links in System/3

ANTICIPATED for some time, the possibility of using IBM's small business computer, System/3, as a stepping stone to the larger machines of the 370 range has now become an officially endorsed fact.

The company has announced a series of extra facilities and equipment to go with the small machine, offering extra compatibility between it and its bigger brothers and making transition from the one to the other lass painful for the user.

The small unit will in future be able to carry out batch and on-line processing simultaneously and, thanks to a low-cost tape system just announced, ba abla to function in this mode. At the same time, with a 500-card per minute reader called the 2596, the 96-column cards of System/3 become readable into machines of the 360 and 370 series.

IBM is presenting the enhanced small machine as a unit able to act as an intelligent terminal processor with local and remote terminals, itself operating on line to a bigger machine from either of the company's current ranges.

The tape system mentioned above is to be built for the U.K. and world markets at Greenock. It is to be available in three models with data rates from 20,000 to 80,000 bytes per second.

Any drive in the tape system can be disconnected for servicing without disturbing the other units. All are connected radially to the controller which has its own diagnostic programs to permit fault location.

● HANDLING

Small scrap baler

ENGINEERING concerns engaged in the manufocture of light gauge stamped metal articles and extrusions are frequently left with quantities of scrap metal which accumulate to create a nuisance whila not being sufficient to necessitate a normal hydraulic baler.

For such companies, the Planters division of Entwistle and Gass, of Bolton, has introduced an improved version of it Befash baling press costing less than £1,000.

An electrically operated screw-driven press, measuring 3 feet by 11 feet by 4 feet, it forms bales measuring 12 by 12 by 9-12 inches. A feature of the unit is that side compression is achieved automatically at the end of the first stage of compression.

Building and Civil Engineering

Wates wins £4¼m housing job

FIRST phase of the London Borough of Southwark's Rousl Road development, worth £4.25m., is to he undertaken by Wates.

Some 779 dwellings are to he provided in 33 low-rise blocks to be erected in the Wates "M" system of concrete crosswall construction cast with steel tunnel shuttering and finished with external hrickwork and pitchsd tiled roofs.

Eventually the scheme will inclnde 1,429 dwellings huilt by Wates. Housing unit sizea vary between one- and eigbt-person units and old people's flsts and flatiets, e cbildren's home, 15 shops, a mesting hall, a play-group room, library and lockup garagss for 325 cars are also to be provided.

Heating will be supplied by a central boiler, already built. Southwark Borough Council has commissioned landscape architects to prepare courtyard and amenity areas.

The buildings will generally face on to these areas and e market square is to be created into which existing market traders will move.

Edinburgh offices over tunnel

ON a site over e British Railways main line tunnel, st Canning Street, Edinburgh, a 5-storey block of reinforced concrete framed offices is being built for Caledonian Tsrminal Investments.

A £390,000 contract swardsd to G. Percy Trentham calls for the 60,000 square feet huilding to be finiahed hy early 1973. The foundations are piled and the cladding is of exposed aggregate panels.

Another contract, worth £320,000, bas hsen awarded to the company for buildings for tbe Royal Engineers Training Brigade on a site near Hawley Lake, Hsnts. Ths job involves nine single-storey hrick-huilt buildings, including workshops, a steel-framed bost shed and a boiler house.

In addition, an access road of about ¾ mile length and variqus hard standings and general site works are inclnded.

Extendible factory

WORK recently started on the construction of a 25,700 square feet advance factory at North Seaton, Ashington, Northumberland, for the English Industrisi Eststes Corporation hy Purdie Lumsden and Co.

The £127,000 contract is to be finished hy early next summer and the factory could provide jobs for at least 100. Sufficient land has been reserved to allow the unit to be extended up to a total area of 100,000 square feet.

McAlpine schemes in Shropshire

LARGEST of four schemes in Shropshire, totalling £1.5m., being undertaken by Sir Alfred McAlpine and Son, concerns 1be erection of 262 flats of traditional construction at ths Brookside Estate for Telford Development Corporetion.

The contract, worth £927,000, also includes the provision of external services, roads and sewers, and is due to be finished by July 1973.

Another joh for Telford, valued st £170,000, calls for the huilding of eight factory units in two single-storey hlocks st Halesfield. To bs steel-framed with hrick walls, the blocks will have asbestos roofs, and should he completed in June next year.

Allied Suppliers has ewarded McAlpine a £400,000 ordsr for a 413 hy 209 foot warehouse. Also situated in Telford, the warehouse will have brick ann metal walls and an asbestos roor. There will also be an office hlock measuring 240 by 21 feet, to be of hrick construction with a metal roof.

Designed by Sidney Kays Eric Firmln and Partners, the scheme is to he finisbed next June. The fourth contract is for the extension of s cbeese store, together with a compressor room, at Ruyton Eleven Towns for Express Dairy Company (London).

Extensions to Ulster University

A FURTHER phase of the new University of Ulster in Cromore Rosd, Coleraine, is to be carried out hy the Gilbert Ash division of Bovis.

The £950,000 contract mainly concerns a 3-storey reinforced concrete framed structure with precast concrete floors to provide a science block and two refectories. A single-storey diamond-shaped huilding in structural steel is also called for as well as roads, drainage and other ancillary work.

At Aldershot, the company is building a steel-framed catering centre for the Army Catering Corps nnder a £315,000 order awarded by the Department of the Environment. Designed by the Building Design Partnership, the schems sbonld hs finished hy February 1973.

Three contracts for work in Lancashire totalling £440,000 have also been received. The largest joh is for a five-storey block for the Lex Property Company to be constructed in relnforced concrete.

Designed by Robin Clayton, the huilding in Albert Street, Eccles, is scheduled for completion next Jnne.

In Leyland, Preston, GA is huilding a distribution depot for Berkelsy Hamilton worth £170,000, next to whicb a road is to he laid for Bridges Transport.

In Scotland, Gilbert Ash is building an office block and worksbop at Motherwell, for Securicor, under a £120,000 contract.

Three jobs for Tarmac

EXTENSIONS to the Leeds premises of Containerhase (Leeds) are to he erected under a £190,000 order swarded to Tarmac Construction.

Concrete paving of hetween 8 end 11 inches thickness is to he laid on a granular hase. The joh also includes 700 yards of drainage and 700 yards of fencing. Consulting engineers are Robert Walpole and Partnsrs.

Lowe and Fletcher has placed a £67,000 contract with Tarmac Construction (Midlands) for a two-hsy extension to its Telford New Town, Salop, fsctory. An 18,000-square-foot production area, toilets, first-aid room and a loading deck are involved.

The 200-foot-long hy 54-foot-wide wide building will hsve a structural steel frame with pvc-costed steel sheet cladding. At Charles Street, Leicester, the company is to carry ont a £150,000 contract for Renslade Investments, to refurbish a five-storey warehonse as offices.

Largest firemen's college

THREE contracts, together worth £1.5m. won by Epsley-Tyas, of Evesham, Worcs., inclnde one for the completion of phase 3 of the Fire Services Technical College at Moreton-in-Marsh, Glos.

This £663,000 negotiated contract with the Department of ths Environment also includes ths building of e motor transport workshop and garages with spsce for 21 fire fighting appliances.

A sports hall and recrestion facilities sre also to be provided under the contract, whicb is believed to be for the largest fire training centre in Europe.

Two tendered contracts won hy Epsley-Tyas csll for tbe erection of a £490,000 three and four-storey group switching centre st Hereford for the DoE, and a £390,000 new Divisional Police headqnarters at Sbrewshury for the West Mercia Pollcs Authority.

Enlarging an exchange

AT HANLEY, Staffordshire, Holland Hannen and Cubitts (Midlands) is to build a new telephone exchange under a £877,000 order.

Representing phase 1 of a scheme which will replsce the existing Trinity excbange building, the job is scbeduled for completion within two years. The 10-storey block is to be of Insitu reinforced concrete frame construction with precast cladding panels.

The existing exchange will be altered to link with the new building.

Hall gets Covent Garden services contract

ENVIRONMENTAL control systems for the new Nine Elms Covent Garden vegelable market at Wandsworth, London, are to be installed by Matthsw Hall Mechanical Services.

The £1.3m. contract includes the installation of air conditioning, heating, ventilation, hot and cold water, sanitation, plumbing and fire protection services in ths main three-acre open-plan flower market.

Over 4,700 sprinkler beads will be used to cover 96,700 square feet of sales spacs, 12,500 squere feet of auxiliary trading snd storege areas and a hasement car-park for 350 vehicles.

Air conditioning to the trading hall will be by means of low-velocity trunking and diffusers. Chilisd water will be provided by two refrigeration plants with capacities of 600 tons eacb, and the plani will have an sir bandling capacity of around 330,000 cfm.

A centrsl boiler bouse will supply low-pressure bot water beating for the sntire market. The fruit and vegetable market, comprisiog two trading buildings —escb split into three sections— will bave beating, bot snd cold water, sanitation, plumbing and fire protection.

Sir Robert McAlpine and Sons is the main contractor for the scbeme.

£2m. bindery in Scotland for Collins

SINCE provisional plans for its £2m. blndery at Bisbopbriggs, West Scotland, were announced hy Collins, the publisbers, last year, a detailed feasibility study has been completed and now Melville Dundas snd Whitson has been awarded the huilding contract.

Work on the 283,000 square foot fsctory is due to start this month with completion planned for the spring of 1973. The bindery sbould be in full production hy September of that yesr.

Ths project has heen designed by Wylie Sbanks and Partners, architects, of Glasgnw, in accordance with a design brief and feaslbility study prepared by PA Management Consultants.

Situated on a 22-acre site on Westerhill Rnad, the bindery will have a production area of 212,000 squsre feet, end adjoining office block witb canteen, medical centre and supporting ancillsry areas including car perks. Collins recently acquired an additional 40 acres adjacent to this site for future expsnsion.

Causes and costs of accidents

"HAZARDS In Construction: an examination of csuses, consequences and costs of accidents" is the title of e conference sponsored by tbe Council of Engineering Institutions, following tbe successs of "Safety on Cnnstruction Sites" conference held iwo years sgo.

To be held at tbe Institution of Civil Engineers on November 23-25, it will be opened by Mr. Robert Carr, Secreisry of State for Employmeni.

The construction industry is responsible for more accidents tban sny other, says Mr. W. D. Short, deputy cbairman of the confcrence committee, end former head nf the civil engineering brancb of tbe Faciory Inspectorate. "The 1970 figures revealed a slight reduction in fatal sccidents and an overall reduction as well." be adds.

Mr. L. C. Kemp, national secretsry, Transport and General Workers Union, says design is not the responsibility of trade uninns, but if failures continue it will be up to unions to edvise their members wbetber or not to work on certaio structures.

All interested in safety should contact tbe Institution of Civil Engineers' Conference Office, Great George Street, Westminster, London S.W.1.

Safety training

IN response to growing demand for professional assistance with safety training, ibe Laing Safety Training Centre at Manor Way, Borebam Wood, Herts., now nffers intensive courses in accident prevention.

Coursea sre held io iimbering and excsvation, scaffolding, abrasive wbeol mouoting, fire prevention, and for drivers of mobile and tower cranes. Faciltties include practice areas for undertaking timhering snd excsvation, scaffolding and crane operstion.

Fees rsnge from £8.50 for the one-day sbrasive wbeel mounting course to £37.50 for the five-day sesslon on timhering and excavation. Approval bas been given, for grant purposes, hy the CITB.

Syllabuses are available from the Superintendlng Safsty Officer, John Laing and Son, Page Street, London, NW7 2ER.

In brief

● FOUR further school building orders totalling around £600,000 have heen recelved by Condor Group for its Kingsworthy "dry envelope" system. Largest of thess concerns s 7,000 square metres huilding for the first phase of Buchan Technical College at Fraserburgh. The other two ROSLA units are for Nottingham City Education Department and a Roman Catholic Middle Scbool, St. Josepb's, at Nuneaton.

● FOR the Melton and Belvoir Rural District Council, Drury and Co. is to build a total of 44 dwellings, comprising 3-hedroom bouses and bungalows of traditional construction, on four different sites. Heating will be hy electric warm air. All the sites are exteusions of existing local suthority housing developments.

● ELECTRICAL services for the extension to Fslkirk Technical College are to be installed hy James Scott (Electrical Engineers), of Perth. Awsrded by the Stirlingshire County Council, the contract is worth £145,000. Main contractor for the job is Wigbt Construction Compsny, and the consulting engineers are Hulley and Kirkwood.

● MOWLEM Construction Company has won a £1.5m. contract from the Government of Kenya for the construction of a 15-mile stretch of road between Dagoretti snd Ndenderu. The work is expected to take two years.

Pipeline project in Yugoslavia

FAST-RISING transport costs have compelled the Yugoslav authorities to plan the constructinn of a major oil pipeline serving the refineries at Pancevo and Bosanski Brod at an estimated cost of £36m.

A consortium bas been set up between Hena, Energoinvest and HIP Pancevo to undertake the 550 kilometre project and a number of other organisations are in process of joining, including the Yugoslav Investment Bank.

Current annual transport needs of the refineries amount to about 3m. tons and the cost of carrying the crude oil to them by rail or river is already judged to be too higb. Also influencing tbe decision to build is the expectation that the refineries and new petrocbemical plants in their area will expand output to such an extent in the next 10 years that the total demand for crude will rise to 11m. tons. To carry this amount by rail or water would cost twice as much in terms of conventional transport systems as the pipeline.

Rough estimstes show that over 20 years ths Neum-Pancevo pipeline shonld save about £150m., the present cost of carrying one ton of oil over the distance being put at $3.58, dropping initially to $2.4 on completion of the pipe and ultimately to $2.

Civil engineering operations and other work outside the equipment of the pipeline are expected to sccount for £24m. So far some £12m. of initial capital bas been found and credits amounting to twice that figure are anticipated.

The Yugoslav euthorities ere understood to consider the project aa one of bigh priority and plan to conclude arrangements with domestic and foreign consortinm members as soon as possible.

That the project is intended to be a hig one with long-term improvements planned is sbown by the fect thst initial capacity is put at 6m. tons bnt that the througbput will he grsdually increased to 30m. tons and design is to he carried ont in function of this.

Energoinvest's London office is at Chansitor House, 37-38, Chancery Lane, London, W.C.2.

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MONDAY OCTOBER 11 1971

Nixon's policy for incomes

THE SECOND PHASE of President Nixon's new economic policy constitutes the abandonment, for an indefinite period of time, of the free market for wages, goods and services in the United States. There will from now on be a large measure of Government intervention in everyday economic decisions: this cannot be gainsaid, in spite of the fact that the new system is heing promoted by a President who was previously believed to be a profoundly conservative man whose decisions would be governed hy a fundamental belief in laissez-faire economics and the free enterprise system.

Elections

That philosophy has, for the time heing at least, heen cast aside. The purpose is to slow down the pace of inflation in America, preferably in time for the voters to take notice before the presidential election next November. It must he deduced from this that Mr. Nixon has come to the conclusion that his previous policies, which were based upon letting the market take its course, were either not working at all or would not be sufficiently effective in the short-span of time allowed hy the American political cycle. Whatever the cause, the President has now chosen to conduct an immense public experiment in an area in which success has everywhere heen elusive in the past: the construction of an incomes policy.

His chosen method horrows a good deal from the recent Labour Government in Britain. At the top there is to ha a Cost of Living council, headed hy the Secretary and manned hy officials. This will supervise (to an extent that is already a matter of argument) the work of a "Price Commission" managed hy seven private citizens and a "Pay Board" managed by equal numbers of representatives of managament, labour, and the Government. There is already a "productivity Commission" and the President is seeking new powers to give strength to his various proposed boards for the study of rents, dividends, interest rates, local wages, medical costs, and the like.

Large companies and unions will need Government permission to increase prices or wages; middle-sized institutions will have to report their price or wage changes and he prepared to take orders to rescind the increases; small landlords, shopkeepers, and the rest will he subjected to the attentions of some 3,000 inspectors who will act on complaints from consumers or tenants. As under the existing freeze, any recalcitrants may be taken to court where they might be fined $5,000 per offence or, in the long run, sent to prison for contempt.

Giving "teeth"

The purpose of all this is to give "teeth" to a policy that can only work if most Americans try to make it work. This will not happen if the trade unions choose not to co-operate. It is still open to question whether this co-operation will he forthcoming, since the most important American trade union leader, Mr. George Meany, president of the AFL-CIO (their equivalent of our TUC) has so far heen less than wholly enthusiastic about Mr. Nixon's proposals. He is to meet other union leaders tomorrow to discuss the President's offer to include him as a member of the new Pay Board.

In Britain it is hard to avoid the feeling that this has all heen gone through before. But this does not mean that the attempt will inevitably fail in the United States: attitudes to the law, and to appeals to patriotism, are different over there. What is more, historical parallels can work hoth ways. The many occasions upon which what has happened in America has happened half a year later in Britain should not be forgotten.

BRITAIN'S FOOD MAJORS AND THE SIX

Europe—the forgotten angle in the food debate

BY KELSEY van MUSSCHENBROEK

IN THE context of Britain's entry to the Common Market, food is endlessly discussed. Yet so far the food *manufacturing* industry has hardly featured. Typical of the kind of EEC "hlind spot" that this major industry continues to enjoy was the publication last week of the broadsheet, "Industry and Europe," hy Political and Economic Planning. Coal, steel, the motor industry, motor components, glass, chemicals, mechanical and electrical engineering, computers, aircraft, textiles, shoes, confectionery—all these sectors were looked at in some detail in the PEP document, and only confectionery can be said to he connected in any way with the food business.

Yet this industry employs one-twelfth of the workers in U.K. manufacturing industry, and accounts for a similar proportion of its net output. In terms of net capital employed — over £2,000m. — food manufacturing is this country's third largest industry after oil and chemicals. More than any other industry its raw material prices will be directly affected by entry to the EEC; so will its existing domestic markets if higher retail prices produce any significant shifts in present U.K. food consumption patterns—and some are certainly expected.

Need for answers

One prohahle reason why the food industry continues to be ignored in Common Market discussions is that they tend to he couched in terms of the export potential that should open up to various industries, once we are in the EEC. (The fact that the U.K. will become an extra market for the present Six is sometimes overlooked.) Certainly, the food industry has a far from exciting export ratio: the 3 per cent. of the industry's output which is exported represents hut one-fifth of the processed food imports into this country. And of that 3 per cent., only one-tenth goes to the EEC.

Can this he expected to improve when we go in? What will then happen to British food markets? And how real is the competitive threat from the EEC in this area? Such questions have long needed answers, and last week a first step to providing them was given hy a formidable line-up of top executives from major British food groups at a London symposium arranged by brokers James Capel. The companies represented were J. Lyons, Imperial Tobacco Group, Tate and Lyle, Unigate, Associated British Foods, Brooke Bond Liabig, Cadhury Schweppes and Unilever. The Anglo-Dutch giant apart, the British companies have food sales of over £1,600m. a year.

Without doubt, uppermost in the food industry's mind is the likely impact of the Common Agricultural Policy on its raw material prices. According to Mr. Garry Weston, chairman of ABF, at the end of the transition period the British flour millers, for instance, will be paying £100m. a year more for the same amount of wheat now being used by the industry—a rise of up to 60 per cent. on current price levels. This is because Britain will still have to import hard wheats from outside the EEC to make the kind of hread to which we are accustomed; and these wheats will bear a CAP levy to bring their price up to that of the unsuitable soft wheats grown hy our EEC partners.

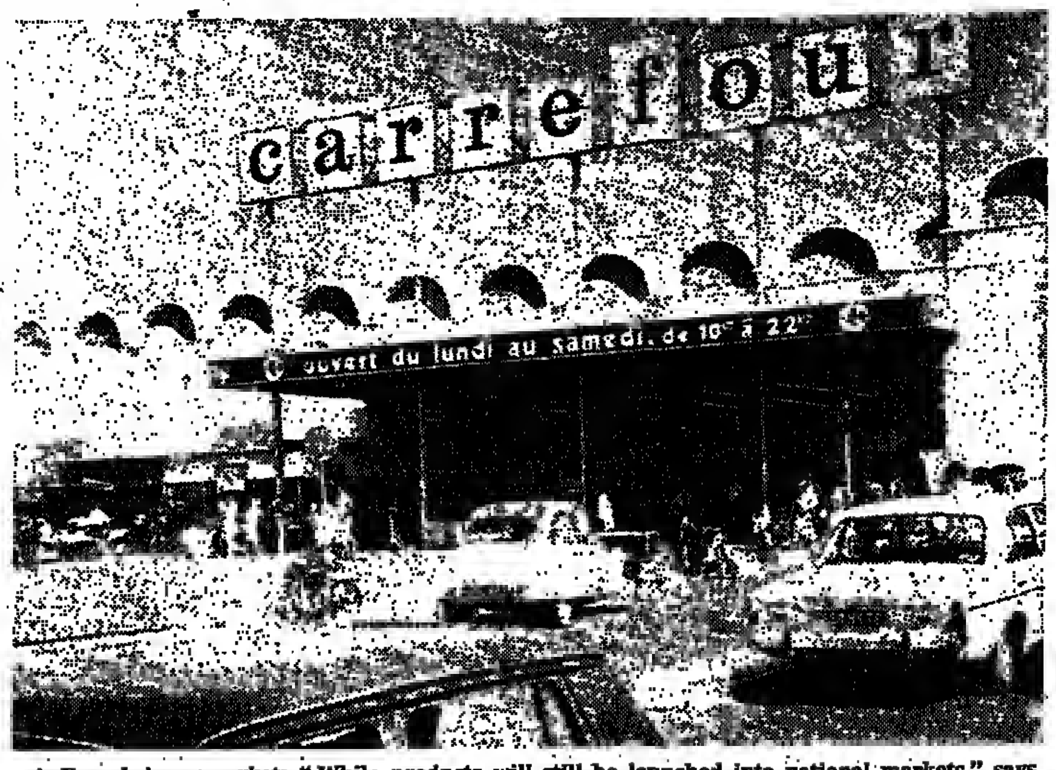
Hard wheats apart, a certain amount of attention was focused on the fact that in recent years the gap between higher ex-farm prices in the EEC and the lower prices in the U.K. had been narrowing fast. The recently published reappraisal* of the agricultural burden of entering the EEC, by Dr. Tim Josling, of the London School of Economics, points out, for example, that in the past five years EEC producer prices rose at a yearly rate that was only a fraction of the annual increase incurred by the U.K.

While wheat prices rose hy only 0.3 per cent. a year in the EEC, in the U.K. they went up by 6.6 per cent. a year. In the case of cattle, the 5.7 per cent. a year increase in the U.K. compares with 3 per cent. in the EEC.

As far as pigs are concerned, prices actually fell hack in the Common Market hy 0.3 per cent. a year, while in the U.K. they rose by 4.5 per cent. In the EEC tha producer price for milk has gone up hy around 1 per cent. a year during the last five years, whila in Britain the rise has been more than double that rate.

Indeed, according to Sir James Barker, chairman of Unigate, milk for liquid consumption should hecome cheaper when Britain enters the EEC, and even if the price does not actually come down, "the necessity to increase the price will he significantly delayed." This is hecause the present milk price support system, whereby liquid milk suhsidises milk for manufacture, will have to be changed under the CAP.

Overall, Josling forecasts that given present U.K. farm policies (which would be difficult to reverse), we can expect price increases of around 4 per cent. a year for the major farm commodities if we stay outside the EEC, and only half that if we go in. Nevertheless, in absolute terms most prices will go up, and there are likely to he significant shifts in consumption patterns which should have major marketing implications for the food industry.



A French hypermarket: "While products will still be launched into national markets," says Unilever's Frans van den Hoven, "their potential will he considered in the larger market of the Six."

Taking per capita consumption levels in 1968 at 100, and assuming the more modest of two projected growth rates in the EEC, Josling's thesis is that by 1980 heef and veal will have dropped to 82, pork will have risen to 156, liquid milk will have marked time, hutter will hava fallen to 85, margarine will hava moved up to 119, hread dropped to 83 and cheese risen to 108.

Warts and all, the CAP does hava another side-effect which is of major importance for tha food business: it has played no small role in reducing Europe's massive agricultural population. For example, in 1961 there were nearly 14m. people actively engaged in farming in the EEC; ten years later that figure had come down to 9.6m., and by 1976 it is forecast to fall further to 7.6m.

True, this will still mean an agricultural workforce representing over 10 per cent. of the total EEC labour force (compared with only 3.5 per cent. in the U.K. at present); hut the exodus from the land should mean both more efficient farming and a hrake on farm prices, as well as an increase in the urhan population—and *that* should mean a risa in the demand for processed foods.

Usage levels in the EEC of these foods is still way behind those in the U.K. For example, whereas in 1969 more than three-quarters of all British housewives used canned soups, in Holland the figure was 43 per cent., in Belgium 25, in Germany 19, in France 11, and in Italy 3. A similar pattern emerges in items like instant coffee and frozen vegetahles. Just how profitahly U.K. food companies will ha ahle to exploit this "gap" remains to be seen, but certainly they hava size on their side, with all that this implies in terms of research and development resources, along with sales and marketing *muscle*.

Vivid contrast

In the U.K., for instance, there are 25 food companies listed in the top 200; in the EEC there are only five. In the U.K., 14 food companies have sales in excess of £100m. a year; in the EEC there are only four. One of the most vivid contrasts is in the milling and baking industry. In the EEC there are some 9,600 flour mills (including 5,100 in Germany), and 150,000 hread bakeries of which 46,000 are in France. The U.K. has 125 flour mills and 7,000 bread hakers, and even these are steadily declining. A recent study from France suggests that most food companies there have scant resources for new product development, advertising and sales promotion.

That is not to say that the U.K. food giants are themselves flush with cash. As hecame clear from the latest National Income Blue Book, corporate profits in the U.K. during the past ten years have been on a long downward trend, and the food industry recently has more than kept pace with this trend. Up to and including 1968, the return on net assets employed in food manufacturing either kept pace with or bettered the all-industry figure. Since then it has become progressively worse.

The odds are that, by and large, British food companies are in no shape to plunge into Europe on a lavish scale. At the sama time, they can hardly pass tha opportunity up. If one was ahle to detect a strategic theme for Europe from last week's symposium it was that in this industry, reciprocal trading links ("I sell your products, you sell mine") are fairly widely favoured. Modest purchases of EEC companies probably come next on the list, although the possibility of a few more dramatic Dunlop-Pirelli type mergers ought not to be discounted.

The food industry faces a very real prohlem in the form of non-tariff barriers to trade. National, regional and even local tastes are still strong in Europe. The harmonisation of tax structures, food and drug legislation, labelling laws—all this is still painfully slow.

On the other hand, distribution channels are changing dramatically fast—after decades of stagnation—which could make it difficult for manufacturers to obtain accurate information about, say, the fastest growing retail sectors. In France, for example, the out-of-town mass merchandisers or hypermarkets apparently sweep all hefore them. Yet just how important are they to the food industry?

No sudden bonanza

There can ha few organisations which have had as much experience in measuring retail trends as A. C. Neilsen. Nevertheless, Neilsen seems to give the hypermarkets more than twice the share of French grocery turnover as does the French Self-Service Institute—10.3 per cent. against 4.5 per cent. Doubtless, the difference can be resolved in terms of the marketing "universe" that each organisation is talking about. But for the manufacturer hoping to sell in France tha diffarence is crucial, not just for his advertising and promotion hut for his packaging, product sizes and, not least, his pricing.

If the messaga from the food majors is to expect no sudden bonanza as a result of joining the EEC, prohahly the last word about its real significance for the industry came from Mr. Frans van den Hoven, a Unilever director and one of the group's three food co-ordinators. Unilever, it will be rememhered, pre-dated tha Common Market hy nearly 30 years. Nevertheless, during the past ten years there has heen a noticeahle quickening of its EEC business, compared with elsewhere.

The most important result of being in the EEC, said Mr. van den Hoven, had effectively been a psychological one: "The thinking, planning, and the future of a greater number of companies revolves around a market of 180m. people. While products will still he launched into national markets, their potential will be considered in the larger market of the Six."

The Economics of Europe, Charles Knight for the Federal Trust.

Competition in mortgages

THERE were all sorts of arguments, even after the cut in Bank Rate, for leaving building society interest rates where they were. There has never been more than a very loose connection, as the Association constantly insists, between the level of Bank Rate and the recommended lending rate and there will presumahly be less still under the new system of credit control. Rate changes are cumbersome and expensive to make for the societies and it is not certain that the current drop in interest rates generally will persist.

The fact that they are still taking in funds at a rapid pace must owe something to an abnormally high personal savings ratio which will fall as consumer spending recovers and to the present lack of interest in unit trusts: a lower deposit rate will weaken their competitive position, which already stands to be affected hy the new freedom of the clearing banks. Above all, they have still not succeeded in meeting a demand for advances which is likely to be further increased by the revival in private housebuilding, tha steady riso in house prices, and the prospect of fair rents being charged to the tenants of council property who can afford them.

Sensitive

Yet huilding societies have always been extremely sensitive to public opinion and their obligation to hold a fair balance between the interests of existing and potential horrowers. They are flush of money at the moment. Their liquidity is extremely high—though the legal minimum is unrealistically low at the best of times and at present it is only prudent to be prepared for a sudden withdrawal of deposits. Moreover, the mortgage rate was last reduced eight years ago and has been hald at 8½ per cent. despite the gradual reduction of Bank Rate from 8 to 5 per cent.

There was talk of a reduction before the last cut in Bank Rate and after it the Association put out a statement which held out a good hope that the societies would follow suit. It would have been difficult to go back on this, and nobody was surprised when on Friday the Association lowered its recommended rate for advances from 8½ to 8 per cent. and for deposits from 5 to 4¾ per cent. Its statement expressed a hope that the new deposit rate, coupled with the security and ease of withdrawal enjoyed by building society investors, would prove sufficient to attract the immense funds still needed hy home buyers.

But different societies are likely to be affected to different extents by this cut in the rate offered to investors. They will he affected differently, too, hy the squeeze on operating margins implied by the fact that the advances rate has fallen by more than tha deposit rate. The Association recognises this in its statement. Since the new rate structure means a substantial reduction in working margins, the Council "appreciates that some societies may feel ohliged to charge a mortgage rate slightly higher than 8 per cent." This open acknowledgement of the fact that the Association's rates are only recommended and that members may depart from them according to their individual circumstances is slightly unusual. What may well happen now, in fact, is that some societies will quote mortgage rates of over 8 per cent. in a decimal form. This would prepare the way for smaller and more frequent changes. It would also prepare the way for greater competition between the societies themselves.

MEN AND MATTERS

Thinking for Textron

Dr. Stephen Manstead, ex-Urwick Orr, ex-Ashridge management college, ex-Adcock and Shipley, is to be Textron's new one-man think-tank in Europe. Textron, the big U.S. conglomerate, bought Adcock and Shipley, makers of milling machines, a few months ago.

It has now abstracted Manstead from his post as executive vice-chairman there, to do long-term thinking about the shape of Textron's interests on this side of the Atlantic.

This is not a simple question. Textron is large—sales last year were nearly £650m.—but European sales are relatively small, about £17m. before the recent acquisition of Adcock and Shipley and Acro Zipp, makers of zippers. So Textron wants to expand in Europe, by huying companies with salea of between £2m. and £6m.

But which companies? For one thing, Textron is very vocal about only taking over companies that actively want to join it. So someone—like Manstead—has to do the talking to find this out. Secondly, Textron is in a wide variety of industries. Having started as a textile company, it has diversified into aerospace (Bell Helicopter), zip fasteners, Sheaffer pens, Eaton Paper, metal castings, and many other areas, including Bridgeport machine tool makers, of Connecticut. Adcock and Shipley is the licencee for all non-U.S. manufacture of Bridgeport machines. So Textron's takeover of Adcock and Shipley was almost a necessity.

What Manstead now has to think about, untrammelled by any executive cares (he has even had to resign as a director of Adcock and Shipley), is which of these interests, or others, to develop in Europe, and where. It sounds a suitabla task for a man who says that "insatiable curiosity is my motive force," and who has already had a colourful career.

Born in Czechoslovakia and trained as a chemist, he escaped by first-class sleeper across Germany to England, became a labourer in South Wales, got back into research at London University after the war, then met Colonel Urwick, and through him became one of Urwick Orr's men in Singapore and later Cyprus, advising the colonial administration. "I was useful just hecause I was not British."

After several years in industry, he joined Ashridge in 1964 as deputy principal, and later met there Mr. Alan Shipley, chairman of Adcock and Shipley, who invited him over in 1969 to take charge of central services like finance, marketing and personnel.

Now Manstead will answer to Textron Atlantic, set up recently at The Hague. With no fixed hours or staff, apart from a secretary, he will take "the detached view" about how Textron could set about its latest amhition, to hecoma a big international company.

or just thinking

Speaking of one-man think-tanks, I see that Stanford Research Institute, California, is conducting a pilot study on transcendental meditation, or "TM." Since June, 60 volunteers "not particularly predisposed to meditation" have been spending a quarter of an hour each morning and evening, practising meditation techniques so that physiological and psychological tests can be carried out.

TM is clearly a coming thing. Stanford reckons that there are 350,000 transcendental meditators in tha world to-day, of which 80,000 are in the U.S., the movement being led worldwide by Maharishi Mahesh Yogi. Stanford itself ran a course in TM last winter, and similar courses are being offered now at Yale, California University, Colorado University, and elsewhere. Do I detect the germ of a new managerial technique, to rank alongside sensitivity training, T-Groups, managerial grids, and the rest?

Maximising assets in pop

Trying to do their hit towards restoring the profits of EMI (down from £21m. to £9m.) is the pop star management team of Mr. Tony Edwards and Mr. John Coletta. They have just launched a new record label, Purple Records, which EMI will print and distrihute. But the main object for Edwards and Coletta is to get round one of the hasic prohlems of the pop music world—that successful pop musicians grow old, can get unfashionahle, and anyway just cannot stand the wearing pace of concert-touring much after the age of 30. So they, and their managers, have to do something to avoid decline.

Edwards and Coletta manage the highly successful Deep Purple pop group (and several other groups and artists as well). Purple Records will he built to a considerable extent round the talents of the members of the Deep Purple group, as composers, record producers, or *individual* performers. There is also a music publishing side. It is much the same route that the Beatles have taken before them and, rather ironically, it is the decline in Beatles' earnings that has contributed to EMI's profit drop. Edwards and Coletta hope to avoid the pitfalls that the Beatles seem to have fallen into.

Edwards was deputy chairman of his family clothing firm, and Coletta head of the advertising agency that handled his account, when Edwards chanced across the musicians who make up Deep Purple. Edwards spent £20,000 of his family money on launching the group (including the financing of its first record) and the two became full-time managers. That was three years ago.

Now Coletta reckons that Deep Purple may gross about £1½m. in the next year, from all sources. On the other hand, putting out at least eight albums a year for three years, as their contract with EMI specifies, will cost the best part of £250,000, says Edwards. So it is now a substantial business, in which Edwards and Coletta are seeking ways of giving their artists, the Deep Purple especially, an equity interest.

As Croesus

I discover that the old expression about "having money to hurn" is literally true, for one business at least. The Bank of England printing works at Debden hurns money to power its central heating. The furnace hurns up every year hundreds of millions of pounds worth of notes that are too old or tattered to be kept in circulation. I wish I had that much money to hurn. I would feel quite warm too.

Observer

WORLD STEEL

FINANCIAL TIMES SURVEY

New rules for State steel

By KEN GOFTON

In this political world nothing is a certainty until it has happened. Even so, British entry into the Common Market looks more likely now than at any time since the Six was established. There are important implications for the State-owned British Steel Corporation—a statement that may seem self-evident in view of the localised, "It's a good thing/it's a bad thing" debate which has centred around the BSC this summer. Enough has been written by both sides to show in fact, that there is not an overwhelming case one way or the other as far as State steel is concerned. Even a curate's egg analysis, suggesting that it looks good in parts, does not quite meet the case: the truth is simply that joining the Common Market means accepting a new set of rules. The guiding principle is fair trade and competition. The rules do not work as perfectly as they might. But the points which worry some political commentators are the very ones which their antagonists welcome.

One of the most obvious consequences of entry is that the tariff walls will come down between the British steel industry and its European competitors. Theoretically this ought to mean a greater flow of metal in both directions. It will certainly mean a greater choice for U.K. consumers, who at times have been exasperated by the BSC's monopolistic position. Whether or not the BSC has equal scope for increasing its sales to the Continent depends upon a number of factors

These include both the question of how competitive BSC can be, and how free it will be to establish an effective distribution network in Europe. So far as the first is concerned, there is variation from product: the corporation claims to be very competitive in some areas, such as plates and special steels, but there are others, notably tubes (which have been nursed behind a 17 per cent. tariff), where the wind of competition may bring an icy touch.

Chain of stockists

On distribution, it would be logical for the Corporation to seek to set up or take over a chain of distributor stockists throughout Europe to handle its products and give an efficient ex-warehouse service. It can be argued that its competitors will probably want to do the same here. However, allowing the Corporation to expand "down stream" is a decision with political overtones, which may mean that the answer is not as obvious as it might appear.

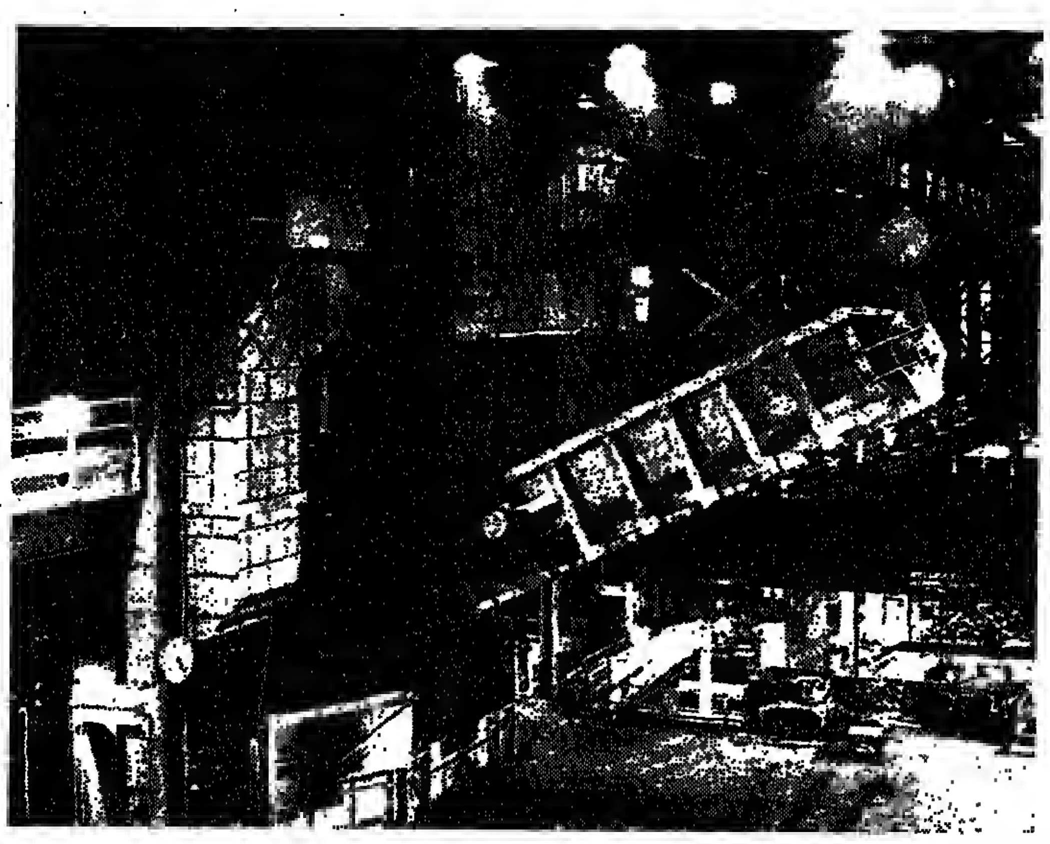
U.K. tariffs on steel from the Six at present average 8 per cent., the example of tubes at 17 per cent. being very much an exception. The timetable for dismantling this protection is as follows: a cut of 20 per cent. on April 1, 1973, followed by further reductions of 20 per cent. on January 1, 1974, 1975 and 1976. The final 20 per cent. comes off on July 1, 1977. From 1973, the Corporation will also have to operate the pricing system favoured by the European Coal and Steel Community, abandoning its own system of uniform prices throughout the U.K. The ECSC system is for individual steel companies to nominate "basing points," which may or may not be the mill door. Steel prices at those basing points, together with transport costs, have to be published, so that in theory the price that any consumer is paying for his steel is known.

Steel companies have the freedom to align downwards from their published prices in order to meet competition from third countries. This can give a useful degree of flexibility: it has also been named "the trapdoor to hell" because of the temptation to cut prices to unrealistic levels in a recession.

The basing point scheme poses a number of problems for the BSC which have yet to be resolved. Not least of these is the question of which centres should be nominated as the Corporation's basing points. However the arithmetic is juggled; for instance, it is quite possible that the published prices of the Dutch and the French will set the levels in South-East England, particularly for strip, the raw material of the car industry.

The BSC is expected to have decided on its basing points by the end of next month, and providing there is no behind-the-scenes argument, these should be cleared by the Government by the end of the year. Consumers will get their chance to evaluate them: it is likely that a series of consultative sessions will be arranged next year.

Agreement has still to be reached on the technical point of how U.K. transport costs should be posted, and, more awkwardly, what should be done about North Sea shipping charges.



Charging scrap into a converter at BSC's basic oxygen steelmaking plant at Port Talbot.

Cynical view

These are matters for negotiation. But there is a cynical view in the industry that whatever the elimination of tariffs and introduction of basing point pricing might do for inter-trading, it will do little for steel industry profits but a great deal for the shipping lines.

A new pricing system also means a shake-up for the corporation's sales organisation. Put bluntly, the rep's job will broaden from one of, primarily, customer liaison, where he is bound by a detailed price schedule, to one where there is more competition to be faced on price, delivery and other factors. The pitfalls facing the BSC are either to restrict decisions on meeting competition to a senior level (and thus run the risk of continually being caught slow-footed), or to entrust the reps with more responsibility than they have at the moment. It seems likely that the Corporation will settle for the latter option: already it is mounting plans for a major training programme next year to accustom its staff to the new situation.

Outside critics have also suggested that the basing point pricing system will influence the British Steel Corporation to site new projects in the industrial belt and specifically the south-east, instead of in the development regions. This was countered by Mr. David Waterstone, then BSC's director of international affairs, in an article in the Financial Times in July, when he said that there was no particular reason to expect that the question of siting new plant would not continue to be dominated by the straightforward commercial calculation of balancing the cost of bringing raw materials to it against the cost of transporting finished products away. "The results of this calculation by no means always lead to the apparently obvious conclusion that plant should be sited as near the market as possible."

The particular case in point, of course, is BSC's wish to build a £1,000m.-plus steelworks on a green-field site. If that project goes ahead, are the chances of it being located in Scotland damaged by the Common Market issue? The short answer must be that, despite Scotland's deep water facilities at Hunterstone, the commercial arguments almost certainly favour other sites, irrespective of the Common Market. The Government's thoughts on stimulating the Scottish economy could have a bearing, but this leads naturally to one of the most controversial aspects of the whole question, namely the extent to which the Government will surrender control of the BSC.

Surfeit of control

Among the critical points here are the fact that the Commission will have some influence on BSC expansion plans, and the U.K. Government will have to concede some of its power, particularly on pricing questions. There will be at best a greatly reduced role, for instance, for the Iron and Steel Consumers' Council, but then it is unlikely that its passing will be deeply mourned. Broadly speaking, these are the issues which most worry the advocates of state ownership and control of a basic industry such as steel. Conversely, there are those, including many in the BSC itself, who lay the blame for many of the industry's troubles on a surfeit of Government control.

For instance, on one estimate, if the Corporation had had the freedom to raise its prices to European levels while the world steel boom lasted, it would have enjoyed an extra £200m. revenue, and would have been in the black.

On May 4, the ECSC presented a document which listed many of the current practices considered incompatible with membership of the Community. They include the supervisory powers of the Secretary of State for Trade and Industry, enabling him to give directives to the BSC, and the need to refer projected price increases to the PIB. These points have been accepted.

Investment plans will have to be submitted to the ECSC authority, and these include not only physical expansion through the building of new works, but also growth through merger or acquisition. On one level, the Community has made it clear that it is not happy about the size of the BSC, which will account for 18 per cent. or so of production, and therefore, it is not likely to be wildly enthusiastic about major expansion plans. Against that, its powers are fairly weak. Most likely cause of a row would be if the BSC were to press ahead with major expansion plans while still making a substantial loss on its operations: Community officials would not be alone in questioning the wisdom of investment in those circumstances. The Corporation's terse answer to that is that it intends to be profitable.

There are other questions raised by Common Market entry. The BSC has acknowledged that it will have to abandon its long-standing price agreement with the scrap trade—a move that in theory could add £12m. to its costs as U.K. scrap prices rise to Continental levels. It is also common knowledge that the Corporation would like a bigger stake in steel stockholding both in this country and on the Continent, in line with its main competitors. Such a move will be opposed by the well-established stockholding industry here, to say nothing of the Government's attitude, which can only be guessed at, but there is a belief in some sections of the BSC that this would be one way to offer a flexible efficient service to customers and curb imports.

On the whole, however, Common Market entry for the BSC boils down to the question of getting used to a new set of rules. Some will be embarrassing, some—particularly those which guarantee greater commercial freedom—ought to work to its advantage. Prospects for growth hinge on the expansion of its customers (an intangible factor) balanced against the increased competition it will face.

WORLD STEEL II

Moderate confidence in spite of the recession

By COLIN JONES

The world's steel masters have experienced recessions before. Because of these memories, the present recession is being allowed to have a somewhat different impact than previous ones. For once, steel producers have been letting output take rather more of the pressure, and prices rather less. Those sensitive bellweathers of the world steel market—Continental export qnotations—have come back by only about a fifth to a quarter since their end-1969 peak, and are still at very much higher levels than before the last boom three years ago. Output, on the other hand, has been pared back by ebout 6 per cent. in Japan and on the Continent, and by rather more in Britain. Only in the U.S. has steel output risen this year, and that can be put down to special circumstances—the rush by steel usera to build up their steel stocks before the threatened national steel strike.

Steel is a reletively low-value material made by increasingly capital-intensive methods. Producers are therefore under beavy pressure to keep capacity utilisation as high as possible. When demand falls off at bome, and the flow of orders is hit both by the lower rate of consumption and by users deciding to live partly off stocks, the natural tendency bas been pusb exports as hard as possible. As the wnrld's biggest, and fastest-growing, steel import markets are those of other major steel prodncing nations, the main outlet for exports et panic prices has thus been the bome territory of other leading prodncers. On the Continent, because of the ECSC pricing rules, and in the U.S., because of the anti-trust situation and relatively low tariffs, the result has usually been rising imports and lower home-trade prices all round. In other words, most producers end up by gaining hardly anything at all.

Lower prices

That this temptation to set off e "vicious spiral" ef lower prices and then falling output bas been at least partly resisted thia time is a tribute to wbat one might describe as the industry's growing maturity. Naturally, steelmakers have long seen the unwisdom of cut-price export competition, but they bave lecked the ability to prevent it. The recent urge to ecquire strength through concentration of ownership, mostly by merger, within each major national steel Industry has undoutbedly been the key factor in the changed aituetion. True, the British Steel Corporation came about as the result of nationalisation, but the West Germen industry bas moved further along the road to the formation of four major groups, the French and Belgian industriea are now concentrated into about two major groups each, the newly-created Nippon Steel represents about a third of the Japanese steel industry, and even in the U.S. National Steel has been allowed to take over Granite City to form the third biggest company after U.S. Steel and Bethlehem.

This regrouping within each major steel producing country has in turn made it somewbat easier to foster measures of voluntary restraint on a wider scale. Tbe Japanese and ECSC producers agreed to set a limit to the growth in the volume of their shipments to the U.S. market. The Japanese have now agreed to impose some restraint upon their sales of stainless steel to certain European markets, and bopes are still expressed that this move may eventually be widened to other products. Meanwhile, back in Jepan itself, Nippon Steel is trying to lead tbe industry into accepting a much slower rate of capacity expansion over the next few years, aiming at 120m. tons or even 110m. tons by 1975-76 instead of the earlier figure of 160m. tons—as against this year's output forecast of a little under 90m. tons.

The letest factor in all this of course, has been President Nixon's economic package in August and the wave of currency changes it has triggered off. The Continentals have called off their voluntary limits on exports to the U.S.—probably as a bargaining counter rather than purely as an act of retalietion. But the Japanese are reputed to heve agreed to renew theirs for enother three years from December, even though they bave to contend with both the U.S. import surcharge and the yen revaluation.

The big question, however, is the impact of the American measures upon world trade — both in general and in steel. On the one hend, it can be argued that the measurea sbould help to boost the American economy, especially the automobile industry. As a result, some U.S. steel forecasters ere predicting substantially better output and sales figurea in 1972 with the improvement starting to show through in the fourth quarter of this year.

U.S. moves

On the other band, some observers feel that the U.S. moves could encourage a world-wide swing towards protectionism in the ebsence of any early agreement between the major powers. At the very least, the reduced opportunities for exporting to the U.S. as the result of the surcharge, the special tax credit for "buying American," and the depreciation of the dollar will mean a slower overall growth rate in world trade.

Certainly, Japanese and West German steel producers will find direct steel exports tougher going because of the Yen and DM revaluations, and home demand in each of those two countries may also not pick up so fast because of the parallel effect upon exports of steel-based products. But other Continental producers seem on the wbole to be fairly optimistic about a recovery in tbeir home trade next year and so is British Steel. One may thus bave a situation in whicb domestic demand will probebly recover in North America and in most parts of Western Europe at e time of continuing uncertainty over export demand. The key factor, clearly, will be Jepan. If the Japanese steelmakers prove willing to refrain from switching all their frustrated U.S. exports to Europe, then Europe's producers can look forward with reasonable confidence not only to rising output but also to reviving profitebility. But, if the Japanese find the pressure to employ under-used cepacity too great to resist and push their European seles berd, then steelmakers everywbere could find the going somewbat tricky.

The scrap merchants

By DAVID WALKER

Britain's prospective entry to the European Economic Community arouses mixed feelings in the metals industry: Even within steel production opinions vary widely, despite Britisb Steel Corporation chiefs' formal becking of U.K. membership.

Probably none of the sectors involved in metals production has so large a body of pro-marketeers as the ferrous scrap trade. There, many see the *EEC as potentially* the *industry's* salvation after a very difficult period indeed.

The reason lies not just in changes in competition or opportunity for sales whicb the EEC will prodnce of itself, but in the inevitable ending of the Scrap Agreement wbich, for 35 years, has bound scrap merchants to the domestic steel industry. Last year, merchants have claimed, the agreement in effect gave the home steel industry a subsidy of aronnd £20m., of which some £14m., it is maintained, went to the British Steel Corporation.

Under the agreement, the steelmakers undertake to buy solely from U.K. merchants, going abroad only if insufficient quantities of a particular grade or gredes are unevailable here. In exchange, the screp merchants accept fixed prices which change but rarely and heve gone up by less than 7 per cent. in the past 10 years.

The agreement does not, bowever, oblige the steelmakers to take all the scrap prodnced by the industry. Thus, though prices are guaranteed at times of low demand—as the industry is experiencing now—markets are not.

The last price rise, a 4 per cent. average increase adding around £7m. a year to the raw materials costs faced by steelworks, came some 14 montha ago.

Production slump

Within the industry, there bad been hopes of a further price change being negotiated thia year, but the slump in steel production appears to bave ruled out success.

Even with a world-wide fall in steel production, scrap prices in Britain have remained well below the levels prevailing abroad, with the gap averaging out at around £2 to £3 a ton. In the boom period, it was considerably more. Last year, for example, the industry was allowed to export 400,000 tons of low-grade scrap unwanted by the Britisb steelworks. Its value here would heve been about £10 a ton; abroad the average f.o.b. price achieved was just under £17.

Alongside that have come mounting demands for higher prices from the industries supplying the scrap merchants, both because of increasing cost-consciousness and because the steady advance in steel prices has often, mistakenly, been assumed to have been reflected in the prices paid to merchants. The merchants' other overheads have also, inevitably, been rising.

Many scrap merchants nevertheless do favour the agreement, wbich they see as at least providing firm prices. But for many others it has been the cause of considerable resentment. Not only the pricing has come under fire; the grading specifications laid down have also aroused anger.

Export control

The problem from the scrap industry's point of view has been worsened by the tight control on exports in times of peak demand exercised by successive Governments 'understandably' concerned about the possibility of losing a large amount of valuable raw material for a key industry.

The overall result of those factors was typified for the merchants by the sight earlier thia year of expensive American scrap being brought into Britain by the Britisb Steel Corporation while far cheaper material of similer quality produced in the U.K. was unable to find e market.

BSC's imports hed been arranged on necessarily long-term contracts during the steel boom, wben sufficient suitable scrap was not available here. But that fact did not allay the ferrous metal reclamation Industry's resentment at what it

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WORLD STEEL III

Problems for private sector

By A. H. MORTIMER, Director,
British Independent Steel Producers Association

The great debate upon British entry to Europe is now drawing to its climax, and once agaio the steel industry is seen to be caught up in broad political issues. Analysis of the entry terms negotiated by the Government has dwelt, the cynics may say for partisan reasons, upon issues such as the aize of the British Steel Corporation in relation to the EEC market, the surrender of control over the investment and pricing decisiona of the Corporation by the Government to the Commission, and the fundamental question of bow far the Community will tolerate the subsidies which are so often ar inherent component of nationalised industry. All tha issues debated have been related primarily to the Corporation, and whatever the merits of the arguments, the sheer size of the BSC and its public ownership render them of great importance both to the U.K. and to the EEC.

Necessarily the same atteotion bas not been given to the impact of entry upon the private sector of the steel industry, although it will be subject to the same overall supervision by the Commission, as tha Corporation. Clearly the issues of size and of potential public subsidy do not arise for the independents, but they will be faced with the need to adapt to the provisions of the Treaty of Paris and to the changes in market conditions resulting from U.K. entry.

Substantial force

Although individually private sector companies have no need to be apprehensive about the Commission's view of their size relative to the BSC or the steel companies of the Six, collectively they are a substantial force in British industry. Together they account for one-quarter of the total deliveries of British steel by tonnage and one-third by value of turnover. Their share in 1970 of the deliveries of certain non-alloy finished prodncts was (In per cent.): bot rolled bars and light sections 53, wire rods 38, cold strip 60, bright bars 90, tubes 28 and forginga 77.

In alloy and special steels even higher market shares are held by the private sector, which helps to account for its value/tonnaga ratio being higher than that of BSC. Whereas the share of non-alloy crude steel production in 1970 was 7 per cent., the equivalant figure for alloy steels was 36 per cent., reflecting also in finished products, that is, hot-rolled bars and sections 56 per cent., cold strip 61 per cent., plate 30 per cent., sheet 43 per cent., bright finished bars 76 per ceot., tubes 69 per cent., higb speed and tool steels 93 per cent. and forgings 79 per ceot. Tbe private sector companies are thus in some respects complementary to the BSC and would be exceptional in EEC, wbere the independent re-rolling company at present plays a far less important part. Thare may well be advantages for their type of specialised operation, which is frequently geared to a particular market in the eogineering sector, since entry into Europe will generally mean a better market for tha U.K. user of the finished steel product in the engineering industry, and at the same time the prospect of a more flexible approach to securing supplies of semi-finisbed steel, which is the re-rollers' and finishers' raw material. No precise parallel exists as a pointer to the private sector's potential performance in Europe, since the same multiplicity of medium-sized companies (there are over 100 in BISPA) does not exist, except superficially in Italy, wbere a large number of small firms are primarily concerned in the production of low-quality material in relatively small quantities.

The private sector considers that its very independence from Government control and the strictures of monolithic organisation will ba advantageous in meeting the challenge of Europe, but fully recognises that there will be problems of adaptation which will face the wbole industry. The situation is made no easier by tha fact that tha steel industry, and particularly the private sector, has to apply the articles and secondary legislation of the Treaty of Paris to one set of products—crude and semi-finished steel, bot-rolled products and cold-rolled sheet—and the Treaty of Rome to the rest of its product range—cold strip, bright bars, wire, tubes, forgings and castings. It is true that fusion of the Treaties may eventually bave the effect of re-uniting the two regimes, but this is unlikely to occur for some years.

Pricing regime

A complete change of practice in the pricing of "Paris" products is inevitable, since the agreement reached in the Brussels negotiations was that the Treaty's pricing regime must apply upon U.K. eotry to the Communities, which under the present timetable meana January 1, 1973. At present private sector companies are under no statutory obligation to publish their prices, although some do, and the general practice in the U.K. trade is for all in delivered prices to be quoted. Upon entry to tha EEC, there will be an obligation on private sector companies to publish prices for "Paris" products for all sales within the Community, and to operate the basing point system, with freight again at published rates being separately added, dependent on the location of each consumer.

In considering tha effects upon the private sector of this system, perhaps the main point to note is that most of its operations are geographically close-knit, so that the adoption of the basing point system is unlikely in itself to lead to major distortions in its current patterns of trade. The three main centres of production are Sheffield, the Midlands and South Wales, and the centre of gravity of the private sector market must itself be in the Midlands. Intra-Community trade will also be subject to the Paris pricing system, and one current problem is to satisfy the requirement to publish maritime freights, which are necessarily multifarious and subjact to substantial fluctuations.

Between now and 1973, the implications of the "Paris" changes for producers of "Rome" products, not subject to the publication or basing point requirements, will also bave to be worked out. In many csses they are the same companies, or members of the same trading groups as "Paria" producers, and all use "Paris" products for their raw materials. The general requiremeots of noo-discriminatioo and fair competition of tha Roma Treaty will also have to be observed. The combined requirements of the two treaties point to a complete revision of the pricing systems, and for the private sector BISPA is well aware that time is short, particnlarly for the process of explanation of the changes to customers. It wonld certainly seem desirable for acclimatisation to start before entry so that the consumer is given the maximum time to make his own adjustments.

Pricing is perhaps the most important bnt by no means the only problem for the steel industry upon entry. The scrap agreement seems likely to disappear in its present form, and the control of export to EEC countries, insofar as it survives at all, will disappear within two years. Certain ferroalloys were included on the list of "sensitive" materials, but no special treatment agreed for them. The coosequence of both decisions is likely to be reflected io increased costs, and the private sector, wbose steelworks are all cold metal plants, and whose share of alloy steel production is higb, must be affected. The adjustmeot of tariffs is not of great significance for most "Paris" products, wbere CET rates are only marginally less than U.K. ratas, but for wire and tubes thera will be a considerable loss of protection. Other new conditions will be less immediately commercial in their effect. Investment decisions will be approved by the Commission instead of the U.K. Government, and the social aod development conditions of the Community will also have their effect upon rationalisation decisions; for these and other facets of the Community a network of oew relatiooships will have to be established in whicb tha private sector must ensure that its voice is beard along with that of the Corporation.

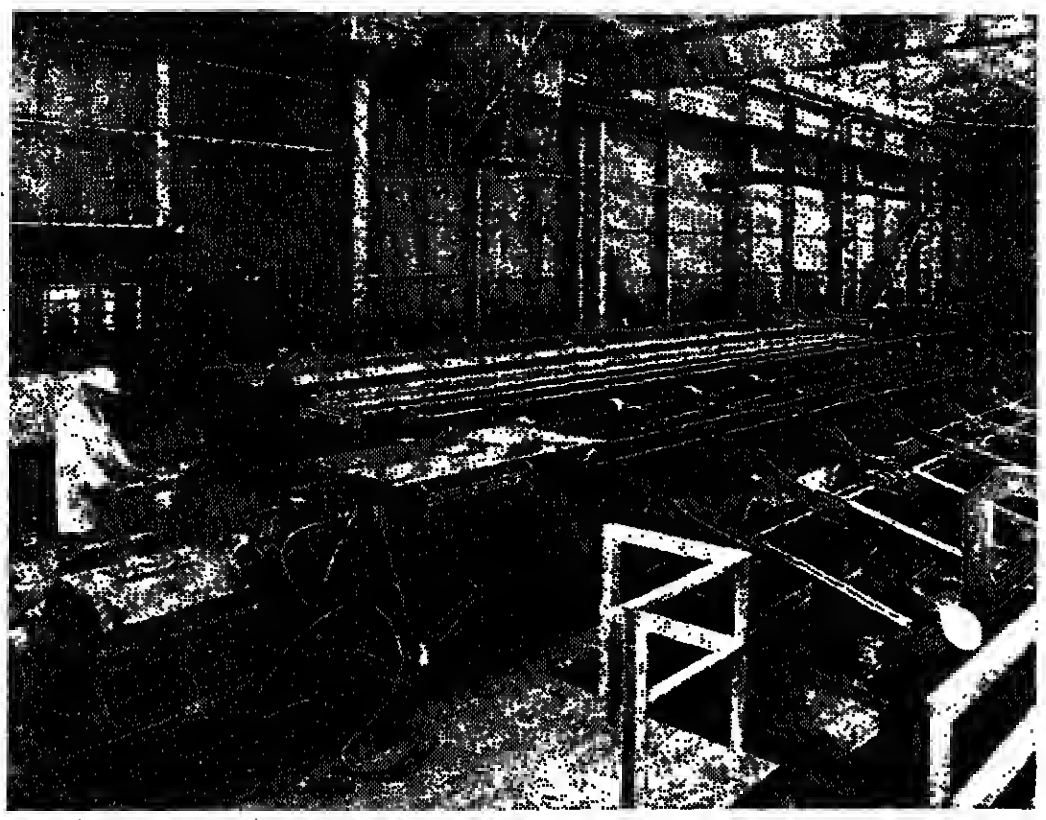
Cyclical nature

Any examination of the effects of entry upon the industry must take account of the cyclical nature of the trade in steel and major external factors, but leaving these aside, the general view is that, although the level of intra-Community trading in steel can be expected to rise, a higher level of imports may offset increases in direct exports.

The recently published study "Industry and Europe" suggests, however, that tha main stimulus from eotry will arise from a growth in production, *inter alia*, in vehicles, their componeots and advanced technology industries of 7-10 per cent. by 1978-80, which would reflect in steel in a growth of 5 per cent. This prediction is put forward as a minimum effect and confirms the industry's own conclusions that the increased activity and opportunitias for growth io the private sector's main customer industries—vehiclea and engineering—must eolarge its bome market. The private sector's strength is its relative flexibility aod ability to specialise, two essential assets in meeting the new conditions of a market, not only larger, but more competitive.

There are still structure problems, althougb the Government statements earlier in the year made the way clear for their resolution. The prospect of entry into Europe may well be the final impetus needed to ensure that the private sector is given the degree of self-sufficiency in the supply of semi-finisbed steel which it bas long been seeking and which bas not yet emerged from industry's discussions.

These are the challenges for the private sector, and it will be for organisations such as BISPA to see that they are properly met. Given the favourable solution of the problems, the private sector is confident of its own ability to prosper in the new conditions.



Production of GK TorBar at the GKN (South Wales) Ltd. works.

Merchants

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saw as, at best, a lack of forward planning by its largest customer.

Some alleviatioo bas come from the freeing of exports of all bar a bandful of highly specialised grades of scrap earlier this year. The Government is due to review tha situation this month, but tha state of the steel market makes it higbly unlikely that restrictions will be reimposed. At the same time, the depression abroad means, according to some, that the Governmeot move came too late.

Scrap industry leaders have in consequence been pressing for sweeping changes in the agreement to allow material to be supplied to the BSC and the independent steelmakers on a regular six-monthly contract basis. The merchants' customers would uodertake to buy set amounts at fixed prices, witb any surplus able to be sold abroad free of restrictions.

In effect the agreement as it has operated since before the war is dead. With Common Market membership for Britain, the industry maintains, it can be buried too. For the rules of the Community rule out any such hidden subsidy to the steel industry. It is noteworthy that the U.K. scrap agreemeot is virtually unique. Elsewbere similar arrangemeots at least write in guaranteed markets for the scrap dealers.

It seems probable now that the agreement will be formally ended over a transition period of arouod three years. Certainly, pressure for that is likely to come from the steel industry in Britain. From the scrap merchants is likely to come pressure for ao immediate end to the arrangement. That, it seems clear, would be followed by a swift rise in prices and a restoration of reasonable profit levels in an industry which bas seen a rapid erosion of margins.

Free play

The industry's welcome for EEC membership is not linked solely with the prospect of higher prices and greater opportunity for exports. Thera is hope, too, that the free play of market forces will lead to considerable further rationalisation.

Great changes have been taking place over the past few years, both in terms of the capital intensity of the trade and the size of the units operating within it. But there is little doubt that tha comparatively cosy atmospbere which has prevailed till recently has tended to stultify large sectors.

The stimulus of competition and the prospect of comparatively frequent price changes and market movements—the general oeed to anticipate treods—should prove valuable io changing that.

That the U.K. merchants will face more competition is io little doubt. Tbe bulk of scrap makes it even more than usual good sense for sales to be made on a strict geograpbic basis. And for merchants in Hamburg, for example, that could mean a better market in Scotland than in the Rubr.

Economic sense

Thus Belgium last year imported roughly the same amount of scrap as it exported—and made sound economic sense in doing so. In Britain, no-one doubts that the industry will continue mainly to supply to domestic steelmakers. At the same time, most steelworks are in the Midlands or North. For scrap merchants in soutbern England, France is potentially a far more worthwhile market.

The hope of many is for a more rational flow of scrap across Europe as a whole. That should be to everybody's advantage, both in terms of countries and iodustries.

At the same time, EEC eotry could bring acute disadvantages to the British industry. The Community's rigid control of scrap exports outside its own boundaries, in particular, could prove a major problem. Unless the U.K. industry succeeds in its attempts to achieve a more outward-looking policy, its traditional overseas markets in the Far East and Spain may have to go.

There is concern, too, about Value Added Tax and its effects on an industry in wbich an extremely large number of very small transactions take place and in whicb a sizeable amount of cross-selling by one merchant to another is done.

In France scrap merchants are exempt from VAT; in Belgium and the Netherlands they are given zero-rating. The administrative implications of the full tax for the scrap industry here bas already led to moves to persuade the Government of the necessity for Britain's scrap merchants to receive similar treatment.

WORLD STEEL IV

Stockholders look for upturn

By ANTHONY MORETON

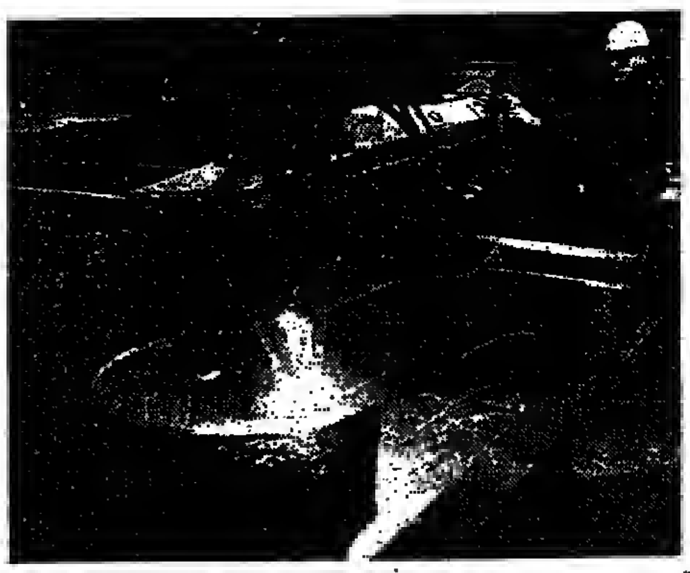
Like most of the rest of British industry the stockholders have not had a happy time this year. The fall in demand for steel from a variety of producing industries has inevitably had an effect upon them as well. But, equally, like a number of other industries such as motors, machine tools and bearings, people in the industry are beginning to detect either the start of an upturn or signs that demand has bottomed-out, and should soon hegin to pick up.

The stockholders' fortunes can he judged to some extent by what has happened in the steel producing industry. There, consumption fell sharply during the second quarter of this year when it was some 6 per cent. below the mean for 1969, 1970 and the first three months of this year. According to the Department of Trade and Industry consumption of finished steel hy private consumers was 7 per cent. lower in April, May and June compared with the first three months of this year. The fall recorded by public organisations is estimated to have been almost 6 per cent.

Motor output

However, there is some evidence now that consumere have stopped de-stocking and the stockholders are looking for an upturn in business in the last quarter of the year or by the turn of the year at the latest. The recovery of sales in the motor industry, which is now beginning to turn in some very good sales figures, is one important indicator. The stockholders themselves, with some minor exceptions, do not supply the Fords and British Leylands directly, but they are important suppliers to the component manufacturers, and so any increase in general motor output is bound to he reflected in their position. There are also hopes that in about nine months to a year's time there will he an improvement in the heavy construction industry.

Much of the basis for this optimism is being put on the Chencellor of the Exchequer's mini-Budget. The Government is, understandably, worried about the speed with whicb these measures are being translated into action, especially as the unemployment figures remain disappointingly high with the underlying trend still moving upwards. But there is no douht that these measures will soon start to hite in consumer demand and be reflected in higher output.



Dunlop and Ranken employee flame-cuts a steel profile plate.

From an industry point of view, the stockholders heve managed to weather the recession remarkably well. Profits and profit margins may have been affected; bnt the basic stability of the industry has heen maintained. Inside the industry much of the credit for this is attributed to the way in which it bas become establisbed around strong companies. Miles Druce, John Cashmore, Brown and Tawse, Lye Trading, John Williams end Brinton, Adams and Richards and others in the GKN group, among the leaders, have all built up their organisations over the past decade so that they play an important part in this side of the industry.

In fact, the stockholders have become an integral and important part of the steel industry in recent years. Over a decade the percentage of home market steel deliveries passing through stockists' hands has about doubled. Total finished steel deliveries via stockists account for about 30 per cent. of the trade in normal times and in some sectors it is as high as 40 per cent. But some extent of the steel recession on stockists can be seen from the fact that in the first quarter of this year the figure had fallen to a monthly average of 24 per cent. (egainst a monthly average of 28 per cent. in 1970). In April it dropped further to 23 per cent. and hy May was down to 22 per cent.

To some extent, the British Steel Corporation has facilitated this concentration, though it goes out of its way not to claim eny credit for the trend. But there is no doubt that the way in whicb it has drawn up its price lists has emphasised the gains to be hed from buying in bulk and has consequently induced huyers to look to the stockholder rather than purchase directly from the Corporation.

This has not been the only reason for the growth among stockholders. The period of exceptionally dear money since the mid-1960s and the emergence of Japan (and some other countries) at about the same time as a source of imports has also helped switch buyers' traditional allegiances. With the cost of money running into double figures it has clearly been very costly for steel users to keep stocks or space tied up for considerable periods.

The stockholders have come in for some criticism on the import side, since it has been claimed that they have been partly responsible for the increased flow of goods from abroad, particularly in the high-value stainless sector. Up to a year or 15 months ago, when there was a world shortage of steel, this criticism was muted. But when the steel cycle turned down the critical voices were heard with increasing force.

Sucb criticism does not do justice to the stockists. They are, after all, in business, and if the home industry cannot supply them (and, througb them, their customers) then they inevitably bave to look elsewhere for their sources of supply.

Tbe other side of the medal is that the stockholders are looking abroad for expansion. So far, the only tangible evidence of this is John Williams' move into Europe, but it is not far from the minds of many of the others. Again, the BSC is, however indirectly, playing a part. The Corporation has indicated that, given Britisb entry to the Common Market, Europe will become an increasingly important aree of operation. This has belped to stimulate interest among the stockholders there.

Belgian market

John Williams has gone into partnership in Belgium on a 50-50 basis with Nobels Peelmao to set up Ghent Steel Service Centre because it believes there is considerable room for expansion there even though it is e tough market. Compared with the British stockist, which turns over its stock probably five or six times a year in normal times, Williams found that on the continent tbe figure was frequently as low as 1.5 times. It even discovered figures as low at 0.85.

John Williams believes that any continental venture has to he e joint operation with eo existing stockholder. To go in "green" would be extremely difficult, it believes, hence its tie-up with Nobels Peelman. But it also believes that British know-how can help to iron out the fluctuations in prices that occur there and hring a greater degree of stability.

The BSC's European thinking is important in this respect. On the continent stockholders are much more producer orientated in that the large producers have their own concerns. If the U.K. does succeed in entering it could lead to the Corporation setting up on some scale in stockholding, though this is unlikely in the immediate future because of the political problems involved.

Little to encourage private sector building

By PHILIP CARDEN, Editor, Steel Times

Investment in expansion and modernisation schemes in the private sector of the U.K. steel industry since nationalisation, including work currently in hand, amount to around £90m., of which about two-thirds concern member companies of the British Independent Steel Producers Association (BISPA).

With the climate, both political and economic, against forward planning, there has heen little this year to encourage companies to add to existing commitments.

The Secretary of State for Trade and Industry, in the House of Commons on June 28, did something to clarify the political scene, hut the long-term plan for the industry, which is eagerly awaited, could briog new complications for the private sector.

Entry into the Common Market, although strongly favoured hy the independent steelmakers, will not prove bealthy for all companies. The cost in terms of closures could be high.

A number of significant projects have heen completed receotly in the private sector, while others are scbeduled to come to fruition as far ahead as 1975. It is not possible here to give a complete record of private sector activity, but atteotion can be drawn to some of the more interesting projects.

There is no more exciting development currently than the mini-steel plant under construction by Sbeerness Iron and Steel Co. on the Isle of Sbeppey. Sheerness will surely be warmly welcomed into BISPA's ranks just as soon as steel is made. And that, says Mr. C. Clancy Schuppert, the company's Executive Director, will be in February or Marcb next. "This is considerably earlier than we expected at one time. We are now coming to the critical stages, but so far we have no major constructional or engineering difficulties."

Virtually all continuous-casting units went into the pnblic sector when the U.K. steel industry was nationalised in 1967. The decision of Sbeerness to employ the process makes that project more exciting.

While some private sector producers bave rejected the process as not epplicable in their circumstances, it must he appreciated that these circumstances ere changing rapidly. With to-day's trend towards rationalisation, steelmakers in the private sector may find, upon re-examination, the economics of continuous casting to be irresistible.

Continuous casting

The Sheerness green-field venture could be the forerunner of similar projects in the U.K., in which case continnous casting will almost certainly feature in them.

What are the chances of early expansion at Sheerness? Said Mr. Schuppert: "Two previous plants in North America were built on the same strategy. The capacity of one of the plants was doubled within a year; capacity of the other was doubled in 2½ years. The Sbeerness plant is designed to facilitate expansion as soon as it is necessary."

Pride of place for size in the privete sector's programme is taken by Round Oak Steel Works' £9m. "Nimrod" scheme. Excavations for cooling banks to the new 850mm. three-stand mill for beavy rounds, thick and thin flats started in August. The scheme incindes replacement of five basic open-bearth furnaces by two high-powered, 115-ton tep weight electric erc furnaces, dne for commissioning in winter 1973-74 and in 1975.

Firth Cleveland Steel Strip believes that its cbances of retaining the Firth Cleveland Group'e Export Cup bave beeo enhanced by the bringing into full operation of a new cold-rolling mill of unique arrangement at Tipton. The mill, rolling high-carbon steel strip to better than British Standard tolerances, is rolling strip to a

Continued on next page.

WORLD STEEL V

Japanese competition proving a major headache for Europe

By A. H. HERMANN

Investment outlay in the iron and steel industry cannot react quickly to changes in demand. Investment in the Common Market steel industry is estimated to reach this year a record total of over £1,000m. (50 per cent. more than in 1970) in spite of the fact that the present troubles cannot be explained merely by cyclical fluctuation of demand. New investment decisions, however, fell from about £1,600m. in 1970 to about £170m. in the first six months of 1971.

The European industry is facing severe competition from Japan. Because of the industry's strategic importance, European Governments in the past reaisted the tendency to cross-border links, and kept it in a state of fragmentation, convenient politically but not viable economically. No one complained as long as the boom lasted and while West German builders were ready to pay black-market prices for structural ateel. Now the tide bas turned. During the first balf of 1971 raw steel output was down by 6.2 per cent. in the Common Market and by 10.3 per cent. in the U.K., and steelmen now say an upturn is unlikely before next autumn.

Full impact

Japanese output is also down by about 6 per cent. and it is bound to feel the full impact of President Nixon's 10 per cent. import surcharge. Already Japanese steel sales are making progress throughout Europe and it is an even more dangerous competitor in third markets. "The price of stainless steel will follow wbatever the Japanese prodncers choose to ask for their steel," said the leader of one nf Sweden's big steel companies recently.

The present slackness in demand and the possibility that Japan will divert sales from the U.S. to Europe only reveal an inherent structural weakness. The vulnerability of the continental industry results from the much higher concentration of the indnstry in Japan, the U.S. and Britain, all of whicb either bave or are now planning plants with an annoal capaclty of 10m. tons—about twice that of the largest in Europe. The pressure of the Japanese output on the world market is very great because Japan must export some 25 per cent. of its finished steel to cover imports of iron ore and coking coal.

The world-wide sbortage of coking coal puts the European steelmakers to a further disadvantage, because the Japanese industry bas secured supplies of ore and coal by signing 20-to-30 year contracts. The result is that the Japanese industry can deliver slabs to European ports well below the cost et which these can be produced in Europe. Sucb a calculation is behind the Japanese intention to expand the Hellenic Steel Company's capacity in Thessaloniky to 1½m. tons bot rolling and 1m. tons cold rolling and to feed it with cheap slabs from Japan. Common Market countries are opposing this scheme though sponsors of the joint venture claim that they have an eye on the Greek and East European markets only.

Soviet slabs

However, imports of slabs for rolling in Europe is another idea with which the European industry will have to learn to live. In the east, Soviet slabs are now being rolled in Bulgarian mills. In the west German steelmakers have shown a lively interest in replacing some of their ore imports by constructing blast furnaces in Australia and importing slabs, an arrangement for which the American industry has provided a model.

Will the movement of integrated steelworks to coastal regions, which marked the post-war period, now be followed by a splitting movement in which blast furnaces will be built nearer to sources of raw materials and rolling mills nearer to the consumer? No such problems bedevil Europe's most advanced, integrated steelworks in Verina near Gijon on the north coast of Spain, which started operation last mnnth. The Spanish Government, through the Instituti Nacional de Industria (INI) hnlds 68 per cent. of the equity; the rest is in the hands of Spanisb banks and of Krupp. West German credits amount to about £50m., whicb is about 10 per cent. more than was necessary to cover plant and services delivered by Krupp. By 1975 output should reach 2m. tons a year. INI controls 80 per cent. of Spanisb coal mining and will open a palletisation plant for Spanish ore.

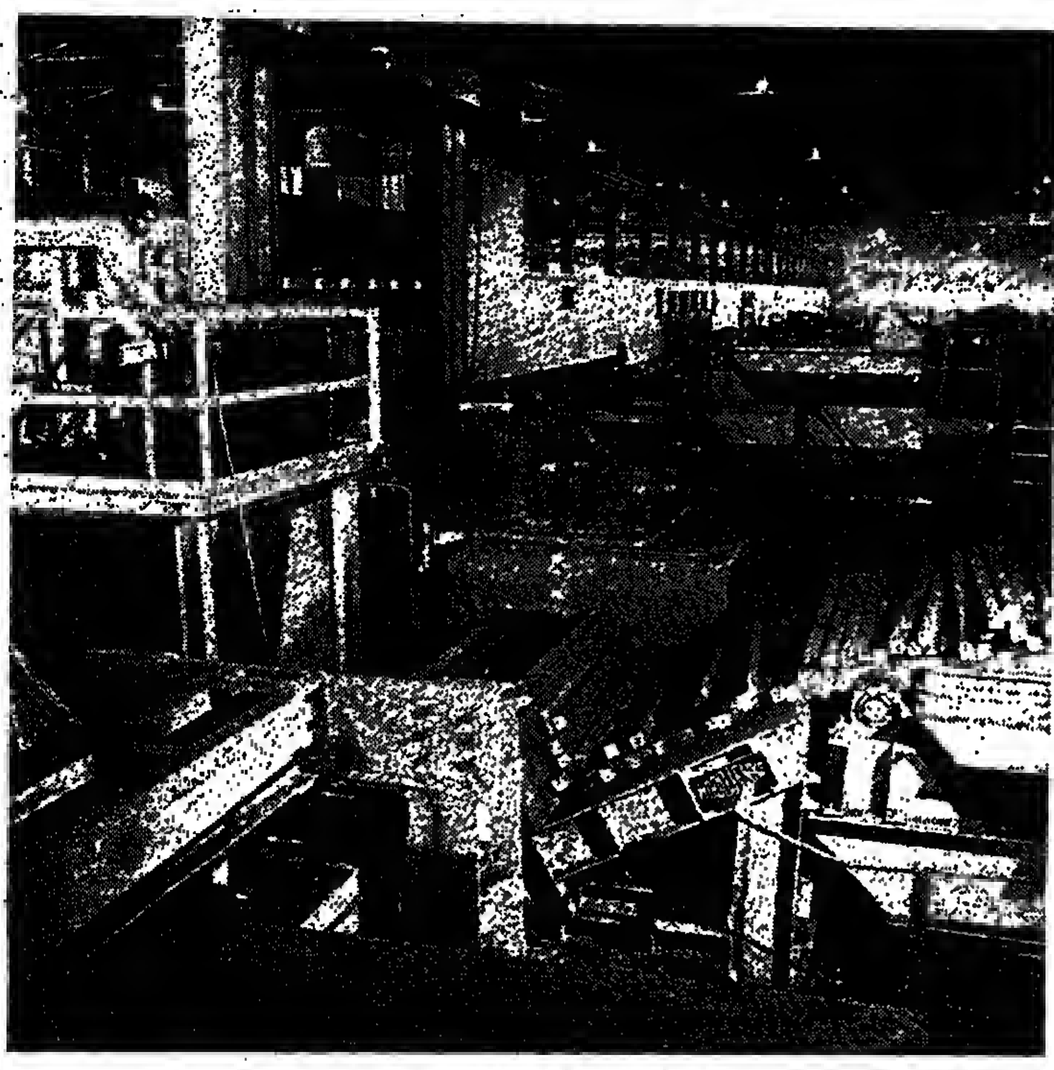
The long-term adjustment of the Continental steel lndustry is bound to involve greater control over raw materials and greater concentration—and both will cost money. The immediate profit situation, however, is not in favour of the promotion of ambitious dreams. Even in West German industry, which succeeded in holding relatively higb prices at home, is now accepting orders for plate and sbeet at prices covering fixed costs only. Japanese plate shipments are much in evidence, and 50 per cent. of the steel for concrete reinforcement in West Germany is supplied either from Japan or by Korff, whom the Germao industry counts as an outsider. The situation is worse where sectional steel is concerned.

The future of the European continental steel industry now depends on several factors. Will Enrope's political unification progress fast enough to allow a cross-border concentration? Will demand for steel rise quickly enough to provide the necessary profit pattern? Will the Japanese provide a breather by agreeing to limit supplies to Europe? How long is the American surcbarge to last?

Not defenceless

The European steel industry is not quite defenceless. The three-year voluntary agreement limiting steel shipments to the U.S. runs out at the end of this year and M. Jecques Ferry, President of the French Steel Producers Federation, said recently that it will not be extended if the surcbarge is maintained.

The present gloomy outlook sbould not be allowed to obscure the fact that the Common Market has not only tbe greatest concentretion of steel production in the world but tbat it is also the biggest steel trading nnit in the world and could therefore muster quite an impressive defence if pressed too hard elther by Japanese competition or by U.S. protectionism.



The input end of the two natural gas-fired furnaces in the new twin mill at London Works Steel Co. Ltd.

Private sector—(Cont'd)

Continued from previous page

maximum of 13 inches wide and up to 0.104 inch thick.

Last year, Brown Bayley Steels drew up a comprehensive five-year plan of capital expenditure, with the proviso that it should be reviewed annually in the light of development needs, market opportunities and cash resources, a proviso not unusual in the private sector.

The plan detailed the progressive expansion of modern electric steelmaking facilities and primary rolling mill capacity. Its principal feature was an ability to acbieve this by incremental stages at low capital cost. A start was made by approving an oxy-argon process for installation this year in the electric melting shop.

Activity in the Duport Group bas included rolling mill improvementa at the Llanelli Steel Co. and commissioning of a semi-continuous twin bar and section rolling mill and re-heating furnaces at London Works Steel Company, Warley. The twin bar mill, with a productioo potential of about 85,000 tons, completes a rationalisation wbich has replaced nine outdated re-rolling mills with three modern high-capacity mills.

With the completion of the £1.6m. scheme to consolidate and expand the stainless tube-making operations on one site at Walsall, T.I. Stainless Tubes, a member of T.I.'s Steel Tube Division, believes it has "a production capability second to none in Europe."

Tubes, another T.I. Steel Tube Division company, is near to completing a £450,000 modernisation scheme at Aston, Birmingham, involving major items of process plant and machinery used for the production of cold-drawn steel tube.

In a major expansion programme costing £1.25m., Templeborough Rolling Mills, Rotherbam, owned jointly by British Ropes and the BSC., will increase production of steel wire rod by 50 per cent. to 300,000 tons a year. The programme, due for completion by August, 1973, will assure Templeborough'a place among the world's most advanced wire rod mills.

Major supplier

GKN (South Wales), a GKN Rolled and Bright Steel subsidiary, is a major supplier of reinforcing steel to the constructional and civil engineering industries. Introduction of GK TorBar, the new cold-worked, high-yield reinforcing bar, is expected to bring substantial reductions in reinforcing steel costs. A new factory, representing an investment of about £½m., has been built at GKN's Tremorfa Works, Cardiff.

One of the steelmaker's problems is the allocation of raw materials—scrap and alloys—to cast of steel. He must daily select the best scrap, from physical, chemical and price cbaracteristics, to manufacture the particular steels required on that day. With some 50 grades of scrap commonly available and about 20 casts per day to manufacture, and a series of constraints on scrap type usage for each particular grade of steel, the possible combinations to be considered are almost infinite.

Dunford Hadfields tackled the problem. The result has been the introduction of the Least Cost Mix, a linear programming system, developed jointly by the company and Honeywell Information Services. After several months' operation, it has shown that savings can be achieved by the use of scientific, computerised techniques.

WORLD STEEL VI

Soviet industry in difficulties

By MICHAEL SIMMONS, East European Correspondent

The steel industry in the Soviet Union and the countries of Eastern Europe epitomises for many of them the achievements and at the same time the problems of their respective national economies. In almost every case, the planners would doubtless agree that it also represents the most explicitly *political* facet of economic life. If the iron and steel industry is doing well, they will tell you, then this directly benefits the national economy. Too often, bowever, they will be forced to concede, the iron and steel industry is not doing too well.

The Soviet Union, producing ebout three times as much steel as the rest of the Comecon countries together and now second only to the U.S. in the world output table, beare a good meny of these burdens on ite own. These bave become particularly apparent with tha shift of ampbasis from quantitative to qualitative requirements, and the demands thet have come with it for a more sensible use of steel. In some steel-using sectors, the Russiana bave been using twice as much steel as the Americans, but producing only half the U.S. amount of machinery.

Early last year, Pravda, the Party newapaper, a month or so after Mr. Brezhnev had berated the country'a ministera and managers for widespread shortcomings ln the economy as a whole, stated that the iron and steel industry was "in great difficulties." Deliveries ware below target, and iron ore was piling up unshipped at the mines from which it had been excavated. This eort of complaint becomes more serious wben lt is compounded wlth another wbich appeared earlier this year in the Government newspaper, Izvestia, chiding the responsible Ministry (for Ferrous Metallurgy) for not going to Uralmash, one of the USSR's biggest engineering worksbops, for the huge blast furnaces that lt could not only design but also build.

Had the Ministry taken this advice some years sooner, there would not perbaps bave been the downwsrd revision of the original iron and steel target output figures, mooted nearly five years ago, for 1970. These figures evolved ln the expectation, voiced by Mr. Nikolai Baibakov, Chairman of the State Plan, that output would last year be as high as 129m. tons, *with* up to 99m. tons of rolled goods. Production actually reached 116m. tons, and rolled goods 92.4m. tons. Shortfalls in the production of the relevant fuels was also a factor bere.

Not enough

Despite the buge achievements of this industry, Soviet strategists have not been sby to acknowledge its failings. Mr. Brezhnev had the steel industry —and others—in mind wben he told the Party Congress last April:— "The situation as regards capital construction cannot be regarded as satisfactory. In short, we are investing enormous sums of money and not getting enough in return. There are several reasone for this ..."

The Ferrous Metallurgy Minister, Mr. Ivan Kazanets, told the Supreme Soviet at the end of last year that about £1,000m. would be invested in new iron and steel producing units in the current yaer. In the newly started five-year period, it is expected thet such epending will be more than double wbat it was ln the preceding five years (1966-70). Crude steel output is expected to be between 120m. and 130m. tons this year, reaching nearly 150m. tons in 1975, with just over 101m. tons rolled steel.

The *Russians* bave buge, untspped reserves of iron ore, production of which ebould exceed 200m. tons for the first time this year. Between 20 and 25 per cent. of thls will be exported, almost all to the Comecon countries (and most of the rest to Japan and the U.K.). Poland and Czechoslovakia, *both countries facing* infrastructure problems in the management of their domestic economies, will take about 12m. tons each. Romania, Hungary, East Germany and Bulgaria—in desceoding order of quantities taken—all import Soviet ore.

Most East European countries, in the classic Soviet pattern, beve tended since the post-war Communist take-over, to invest particularly beavily in steel. Production, however, more often than not still lags behiod reqnirements, witb a shortage especially noticeable in sheet. Their problems have not been eased in the dialogue with the Russians concerning the poor grade and high cost of the lron ore ahipped to them, mainly from Krivoi Rog in the Ukraine. The price paid by the Russians for finished East European goods ie also seen by East Europeans as too low.

Czechoslovakia and Poland both rate around tenth in the world's top producing countries, with output ln each case over 11m. tons a year. Tbe authorities in Prague, however, have made it plain to the industrial Ministries that the gap between supply and demand is unlikely to be closed until 1975. New investments in the steel industry will go towards modernising existing plant rather than the construction of new plant.

Poland also has problema in meeting domestic demand for steel, not least in its hard-pressed construction industry. However, output in the first balf of thia year has reacbed 6.2m. tons—some 130,000 tons above Plan.

Romania is giving high priority to the development of its steel industry in this five-year period. An alloy works et Tirgoviste, to bave an annual capacity of 800,000 tons, is expected to be working by the end of 1973, and two new blast furnaces are to be built. Among lts main customers, Romania counts domestic and foreign shipbuilders.

Hungary, East Germany and Bulgaria have all had eutput problems in recent years, *with* Hungary falling to reach planned levels in the first six months because of a vast rebuilding programme and "unexpected faults" in the industry. Bulgaria, which is Comecon's smallest producer, has big expansion plans, centred mainly on tbe Soviet-built Kremikovsti works.

Many developments in the Comecon area will hinge to some extent on developments in the Soviet Union, with wbom joint investment projects in this industry heve recently been announced under the aegis of the Comecon organisation.

The most dynamic growth, so far as the Russians are concerned, will come from the Ukraine (traditional steel and iron ore producer), Central Russia and Kazakhstan. Iron ore prospecting in Siberia and the Soviet Far East is also being encouraged.

Huge furnaces

The Russians currently have three of the world's ten biggest blast furnaces, situated at Novokuznetsk, in Western Siberia (of 3,000 cubic metres), and at Krivol Rog and Cberopovete (each 2,700 cublc metres). Within the newly started Plan period, the aim is to see at least three of 5,000 cubic metres go into commission, and, by 1980, others of 6,500 cubic metres. In view of the known over-extravagance of Soviet end-users, these grand plans do have a logic of their own.

In the software as well as the hardware of the steel industry the Russians are working to achieve great advances—notably in the fields of oxygen steel-making and continuous casting. Indeed, they have been notably successful in selling licences to the West in radial casting methods and the production of plate steel for car bodywork. France, Finland and India have been among their customers. On the import side, the Russians —in their endeavours to sell huge quantities of natural gas to Western Europe—have placed *huge* orders for wide diameter steel pipes.

Recession in Japan

By AL CULLISON

Nothing in the Japanese steel industry'a rosy expansion schedule of e year ago could possibly have prepared its top executives for decreased production during fiscal 1971. Who could have foreseen the surprisingly new economic policies of President Nixon, coming at a time wben Japan's own domestic mini-recession seemed to have just about run its course? Now, however, for the first time in nine years, Japanese steel mills are expected to produce less this year than the previous one.

Tbe Japanese mills in 1971 ere expected to turn out a total of about 87½m. metric tons of crude steel—or approximately 5m. tons belnw production in 1970. Some specialists even go so far as to predict that output will fall below the 87m.-ton figure.

With the exception of the shipbuilding and motor car industries, all Japanese steel consuming industries are cutting back their orders end have been doing so for months. Originally, estimates for crude steel production this year bad been set at ebout 98½m. metric tons, with exports reaching more than 18m. tons. Most Japanese steelmen see e prolonged slump facing the industry, eventually resulting in a much slower yearly growth rate in production even after the aemi-recession ends.

Annual increase

More important, et least for steel, tbe leading executives of the major companies in the industry feel certain that by 1975 Japanese mills will be producing more than 120m. metric tons of crude steel annually.

It is interesting to note that the official prediction for mid-decade of the Ministry of International Trade and Industry (MITI) had been 180m. tons before the world's geoeral economic situation began to deteriorate. But present conditions apparently still ellow MITI specialists to see an average annual increase in steel output beginning next year of about 8m. tons.

Nevertheless, steelmen in Japan expect yearly crude steel production to level off at around 130m. tons some time between 1975 and 1980, although output might incb upwards towards the end of this decade. Much of the industry's growth, however, may depend to some extent on export expansion, while growth nf domestic industry continues to slow down. Since the steel industry has agreed after negotiations with the U.S. to reduce the annual increase rate of exports to the American market from the current 5 per cent. to 2.5 per cent. over the next three years, any gains in exports probably will have to occur in shipments to Britain and Western Europe.

Thia is where the crunch may come. A similar self-restrictive measure is considered more or less inevitable for exports of Japanese steel to the European Community. Japan's shipments of steel to the British market over the past two months, for example, were six times tbe rate of a year ago, according to reports released in Tokyo. Faced with voluntary limits in shipments to tha U.S. and the prospects of similar restrictioos involving the Britisb and West Europeans, Japan's steel mills are turning tbeir eyes to China, a market already importing 2m. tons of steel from Japan eacb year.

Tbe Chinese market is the second largest for Japan, next only to the U.S., which annually takes ebout 8m. tons of Jspanese steel. Last year, for exemple, Japan supplied 44 per cent. of an eatimated 13.3m. tons of steel products imported by the U.S. Yet although China has been purchasing more steel from Japan than ever before—even importing rails and pig iron—the Chinese market is not considered likely to expand to the extent that it will be able to absorb much of the excess Japanese production capecity.

It is exactly this problem which bas caused the Japanese steel corporations to send their salesmen to Africa, the Near East, Latin America and South East Asia.

Somehow, the Japanese must find markets for around 5-8m. metric tons of steel and will have to observe orderly priciog and marketing procedures in the process or run into intense opposition abroad. Total Japanese steel exports last year amounted to 18m. tons.

Recent developments in the domestic and internationel markets have been a serious disappointment to the Japanese ateel industry. The industry's executives bad expected thet demand would continue to support their enthusiasm for large-scale plant and equipment investment. However, the pinch is now causing retrenchments and deferments. The new Nippon Steel Corporetion, for example, has postponed by six months the start of construction of two new blast furnaces, each with an annual production capacity of about 4m. tons.

Japan already hes eight of the world's biggest blast furnaces, several of them with interior capacity surpassing 3,000 cubic metres and one just beyond 4,000 cubic metres. It would seem very likely that over the next few years, despite present troubles, the Japanese will start construction of new lerge integreted steelworks, eech having an annual crude steel capacity of more than 10m. tons. Some of these giants will have a yearly capacity of approximately 20m. tons. Operation of most of these steelworks will begin in 1977.

Clashes expected

Over-production capacity ls rapldly developing and clasbes within the Industry conceroing the starting of new coostruction can be expected. Yet no steel compeny wents to unilaterally curtall investment plans and, as a result, MITI authorities are monitoring end guiding the six major blast furnace operators, wbich account for slightly more than 90 per cent. of total steel output in Japen. It appeers tbat under this plan, new blast furnaces entering operetion will begin by limiting production to 30 per cent. of capecity for the first six months and to 70 per cent. for the next six months.

At present, four major steel producers—New Nippon Steel, Nippon Kokan, Sumltomo Metal and Kawasaki Steel—may start construction of one blast furnace each between now and the end of fiscal 1972 (March 31, 1973). Each of the furnaces will have an internal capacity of 4,000 to 5,000 cubic metres. The firms are expected to close down a blast furnace or furnaces equal to 2,500 cubic metres as each new furnace begins operation and probably will keep them closed until 1975 unless authorised by MITI.

Japan's steel captains bave their bitter arguments among themselves, bnt only one or two express actual worries about the future or see their industry bogging down like the steel mills of America. Almost to a man, in the long run they are optimists. They base their grand plans for to-morrow on the belief that the current economic slump at bome and the host of financial troubles abroed are only temporary and that an insatiable demand for steel products will return to support Japan as the worlds third largest steel producing country, if not next year then the year afterwards.

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WORLD STEEL VII

Australia and S. America will be main growth areas

By HENRY CLEERE

Cynics have said in the past that, when a nation won its independence from colonial rule, its first two priorities were to establish a national airline and a domestic iron end steel industry. A comparison of the countries listed in the first edition of the authoritative "Iron and Steel Works of the World," published in 1952, with those in the fifth edition of 1969 (Metal Bulletin Books) shows nearly 30 new names, among them Algeria, Cyprus, Ghana, Jamaica, Malaysia, Nigeria, Sudan, Tanzania, Tunisia, Uganda and Zambia from emong the former colonial territories, hesides natioos whose econmmy is still in the developing phase, sucb as Costa Rica, Ethiopis, Jordan, Libya, El Salvador end Saudi Arabia.

World steel production increased between 1966 and 1970 by 25 per ceot. from 475m. to 592m. tons. Of these totals, the combined production of the steel industries of Europe, the U.S., Japan, and tbe Soviet bloc accounted for 427m. and 531m. tons respectively. The remainder of the world production, covering Canada, Central and South America, Africa, Asia and Australesia, increased at about the same rate from 48m. tons in 1966 to 61m. tons in 1970. During this period, therefore, the global pattern showed little difference between the major and minor producers, with the exception of the greatly increased role of Japan among the major producers.

Ore deposits

It is a commonplace that iron ores are widely availahle throughout the world: a country may count itself truly underprivileged if it cannot claim to possess some reserves of ore that are economically viahle for small-scale exploitation. It is on ore deposits of this kind that a number of the steelmaking developments in the past few decades have been hased. A good example is New Zealand Steel Ltd., near Auckland, designed to exploit the technologically difficult ironsands of the North Island. A similar plant is the Elfouladh works in Tunisia, based on the domestic Djerissa ores, once exported to Europe but now superseded in that market following the massive ore finds in Africa, South America and Australia.

Such projects as these have a limited development potential. They are based oo relatively small domestic ore deposits and are designed to serve essentially domestic markets, usually with constructiooal steels and flat-rolled products. Tbey exist primarily to ease the trade balance in their respective economies and can be expected to expand only to a limited extent.

No likelihood

The great majority of the steel plants and projects in the non-traditional steelmaking countries can be considered in this light. There is no likelihood of their assuming a more important role in the global industry scene in the coming years, unless they are situated in couotries that prove to have hitherto unknown reserves of bigb-grade ore in large quantities. There are, however, several countries where marked and rapid expansion may be expected in the coming decade, notably Australia, Brazil and Venezuela, wbere there are large iron-ore resources.

Since 1966, Australia's total steel prodnction has risen by 25 per cent., in keeping with the world trend. The Australian industry has up till now been in the hands of a single company, BHP, whose development policy has heen cautious and modest. During the past decade, however, exports of iron ore from Western Australia bave soared, and the Government of that State, under the leadership of its energetic and ambitious Minister of Industrial Development, Charles Court, has taken vigorous steps to encourage capital investment in major iron and steelmaking plant in Western Australia.

The most ambitious project to date is the Kwinana plant, in which BHP, Amax, Colonial Sugar Refining, Selection Trust, Mitsui, and C. Itoh are concerned. An output of 12m. tons has heen suggested, involving an ultimate investment of $A1,500m. This is, however, just the latest and most sensational in e series of large projects that heve beeo put forwerd in the past few years for both sides of Australia, utilising the massive eastern coal reserves and the iron-ore mountains of the west. The companies that have been associated with these projects read like a directory of the leadiog companiea in the ore and metals field—Armco, Bethlehem, Kaiser, RTZ, August-Thyssen, GKN and even BSC. At present only one major integrated plant is under construction, the joint BHP-GKN works at Westernport Bay, Victoria, with e planned initial capacity of 2m. tons by the end of 1973, rising to 4m. tons in the final stage.

However, it is certain that the elaborate courtship ritual that is in progress elsewbere will soon result in the formation of some stable groupings, and it is not unrealistic to forecast an increase in capacity of some 20m. tons in Australia by 1980.

Large reserves

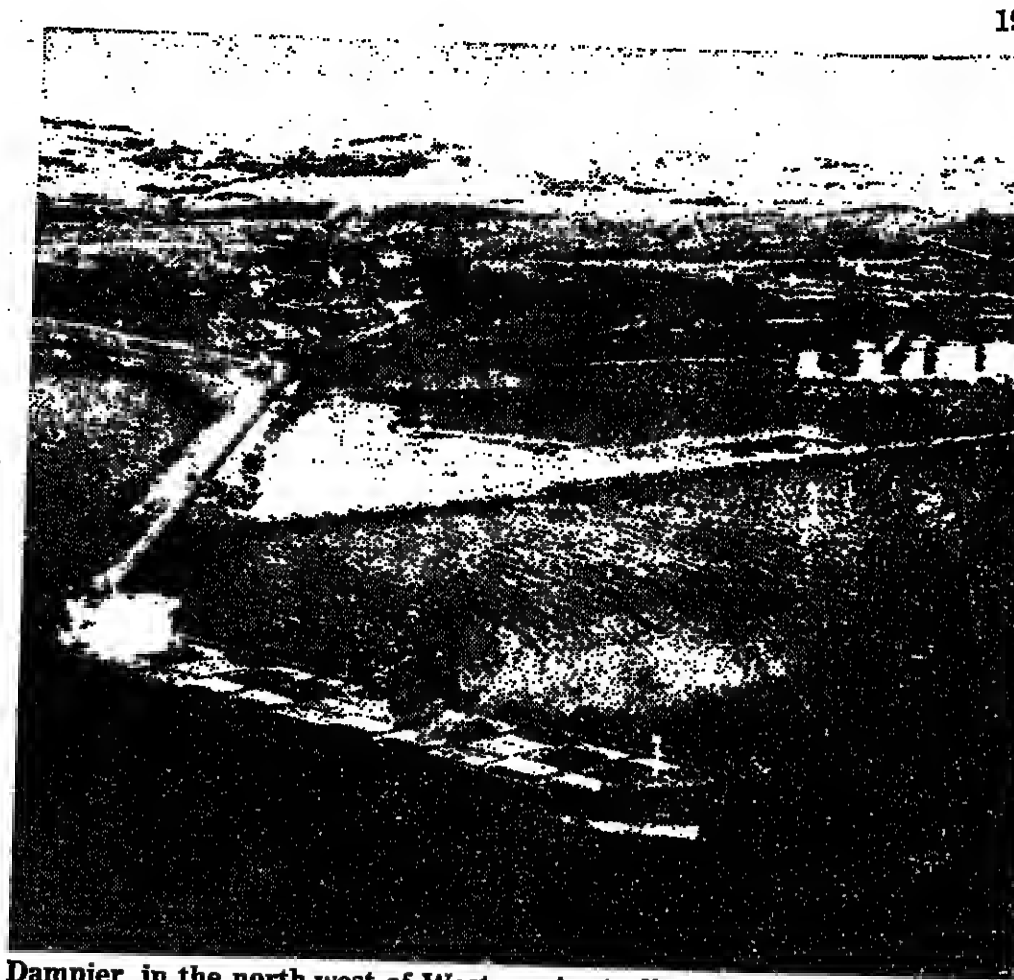
A similar development potential—the combination of large iron ore and fuel reservea—exists in Brazil and Venezuela. Coal is not so abundant in these countries as oil and natural gas, and so it is likely that future development here may be associated with new tecbnologias, notably the use of direct reduction in one or more of its manifestations.

In Venezuela the State-owned Sidor plant at Ciudad Guyana is expanding rapidly to 1.6m. tons per year. However, the most significant development in this area is probably the Nn-Iron (gaseous direct rednction) plant of U.S. Steel, which recently went on-stream and which is scheduled for an output of over 1m. tons of pre-reduced iron pellets per year in its initial pbase. Sidor has an entitlement to 25 per cent. of the production of this plant and has plans for a large increase in electric steelmaking furnace capacity. This would appear to he an indication of future development: a massive expansion of steel production in Venezuela in the next decade is a distinct possibility.

Brazil presents a mnch more complex picture. Its ore reserves are immense and the fuel (oil and coal) situation is good. At present, interest in Brazil on the part of the steel industries of the developed couotries is intense. The Brazilian Government is showing a proper appreciation of its potential and is so far resisting the blandishments of North America, Europe, and Japan. It has requested UNIDO to carry out a strategic study in depth of the Brazilian iron aod steel industry, and this is at present being undertaken by the W. S. Atkins Group, the Britisb consultants. It is well known that other studies are also in progress, inspired by both Brazilian and foreign companies.

The expansion of the Brazilian industry may well be explosive wben it gets under way. The main obstacle is the age-old problem of South America—political instability. Foreign investment will be cautious in the light of recent events in Peru and Chile unless assurances of political stability can be obtained from the Brazilian authorities.

Thase theo are the major growth areas. There will he small-scale expansions in other areas—Algeria bas a scheme under development at the preseot time for its Société Natiooal de Sidérurgie, for example. However, the main variations in the world steel producing pattern in the next decade are to be expected in Australia and South America.



Dampier, in the north-west of Western Australia, can handle ships of up 100,000 tons, exporting iron-ore mined at Mt. Tom Price, 182 miles inlan

Glimmer of hope in the U.S.

By NICHOLAS COLCHESTER

There is a chance that autumn 1971 may turn out to bave been the crisis point in an illness with which the U.S. steel industry bas been suffering for over five years. There is a chance that this illness may yet take its toll, mergers may take place, certain companies may go into bankruptcy, but the general feeling is that 1972 will produce something of a recovery.

The basis of the industry's malaise is that steel demand has not increased at all, on average, since 1965. It has wobhled for the wbole of that five-year stretch around the 100m. tons-a-year mark. During the same period imports have risen from 9m. tons to around 15m. tons and worse still the U.S. steel industry has poured about $10,000m. into new plant and equipment over the same period.

Total domestic steel shipments in 1971 are now expected to he below 90m. tons which will make this year the worst since 1967.

It really has been a year of traume for the industry, caused mainly by the triennial wage talks and their effect on the steel market. Britain's indnstry leaders long for the moment when wages can be settled in one massive round of negotiations and then forgotten about for three years, but the system does guarantee chaos in the U.S. steel market every third year.

In 1971 users built up an excess inventory of around 12.5m. tons of steel as a hedge against a possihle strike when the wage talks started in the summer. The strike was avoided at the very last minute with management agreeing to a wage increase averaging 31 per cent. over the next three-year period. As soon as the strike threat had vanished the users cut into their inventories at a very bigh rate by historic standards. In the months immediately following, steel buying was running at an average of less than 5m. tons a month, while inventory reduction made up the total consumption to 8m. The result was that August was the worst non-strike month for steel shipmeots in 30 years. The industry was said to be running at about 40 per cent. of its productive capacity. Some plants which bad closed down in anticipation of a strike had not been re-opened six weeks later.

The future does, however, look rosier. In the first place the order level should start to pick up again soon as the users get their inventories hack to normal. The prediction is that steel consumption should be quite high in 1972—perbeps 105m. tons—and the producers feel that they will be esked to provide perhaps 93m. tons of that. There are of course some optimists in the business and they are talking in terms of steel shipments of over 100m. tons. The other encouraging development is on the import side. The Japanese have agreed to hold the growth in their imports down to 2.5 per cent. a year, wbich is roughly the U.S. steel market's long term growth rate. This means that the domestic producers, who bave heen trying with little success to raise their prices in a buyer's market, will be able to push through some of tbeir mark ups (phase two of President Nixon's new policy permitting) without losing even more orders to their overseas competitors. These competitors, principally the Japanese but also the EEC, will at any rate he hampered by the effective devaluation of the dollar and the import surcharge if it lingers on.

The Japanese heve added an important agreement to the voluntary system of self-restraint that they have just suhmitted to the State Department. They have incorporated a schéme whereby they will reduce the volume of their imports of special steel to the U.S. The Japanese produc[ers] have stuck to the import qu[ota] system over the last three ye[ars] in so far as tonnege of steel [is] concerned, hut they have shif[ted] to e higber value product [to] keep the value of imports [in] dollar terms rising. This hit [U.S.] steel makers berd since th[ey] tend to make their main pro[fits] on the special products. Jap[an] is currently reckoned to heve [...] per cent. of the U.S. stainl[ess] steel market and something l[ike] 35 per cent. of the tool st[eel] market.

All these factors add up t[o a] glimmer of hrigbtness for an [in]dustry that has been throu[gh] such a bleak period that t[he] financial world has begun to [g]anaesthetised to its continui[ng] woes. At the moment the sha[res] of U.S. Steel, the largest p[ro]ducer, and Bethlehem Steel, t[he] second largest, are standing [at] $30 and $26 respectively. [A] decade ago they were at the heights of $91 and $49. Perha[ps] the time has come to reconsid[er] them.

WORLD STEEL VIII

Wide variety of coatings

By VIVIAN EVANS, Divisional Manager, Marketing Services, BSC Strip Mills Division.

Steel sbeet is rarely used without being given a surface treatment by one means or another, and manufacturers bave adopted a variety of processes to protect the metal and enhance its appearance—some galvanise, some paint, some stove enamal, some apply a vitreous enamel finish—but all these operations are costly in terms of capital investment, labour and space.

The steel industry has long recognised that by providing sheet with the added bonus of a protective coating it could help the manufacturer to overcome his problems and reduce his costs. The addition of a zinc coating by bot dip galvanising process was introduced as early as the end of the last century and galvanised corrugated sheet became a familiar sight the world over.

The installation of up-to-date plant and the re-equipment of existing lines over the last few years bas led to further improvements, so that the BSC can now offer a much wider range of surface finisbes, including minimised-spangle and extra smooth finishes, differential coating thicknesses, and an iron-zinc alloy coating with superior welding and painting characteristics.

Another first

A thick coating of zinc is not always necessary or desirable, and the British steel industry scored another first when Zintec was introduced in 1947. This is a sbeet electrolytically coated in a continuous process with a very smooth and very thin zinc coating (about one-tenth of the bot dip coating) which is sufficient to protect the sheet during fabrication and provides a first-class base for painting. The production of electro-zinc coated sheet is now widespread, and the benefits it offers to the manufacturer has ensured its extensive use, particularly for those applications such as consumer durables where a high quality surface finisb is essential. To keep pace with the demands of modern industry, the BSC is now commissioning a line which will provide electro-zinc coated sheet in coil in widths up to 53 inches.

The line is expected to start producing in volume towards the end of this year.

The philosophy of providing a pre-finished sbeet for the manufacturer bas taken a dramatic stride forward in recent years with the introduction and growing acceptance of paint-and-plastic-coated sheet. The attributes of colour and texture bave been added to the corrosion resistance of zinc-clad steel. The advent of the steel/vinyl laminate Stelvetite in 1957 at Shotton, followed in the mid-1960s by the installation of the Colorcoat coil coating line at Gorseinon, made available an extremely wide range of pre-finished material, including wood-grain laminates, plastisols, organisols, alkyds, acrylics and many others.

Because of its decorative appeal, plastic coated sheet was originally aimed at fabricators of household goods, office furnitura and so on, bnt it rapidly became apparent that there was—and is—a tremendous potential market in building. Much more attention is now paid to the aesthetic appeal of agricultural and industrial buildings and the colour which plastic-coated claddings can bring to the anvironment bas added a very considerable bonus to their qualities of corrosion resistance and freedom from maintenance.

The situation to-day is that both tha Stelvetite and the Colorcoat lines are very beavily loaded, with lengthy order books. The BSC has declared its confidence in these products by investing in an additional Colorcoat line, which will come into operation at the end of the year, and a further Stelvetite line to come on stream in 1972, giving a total capacity of more than 200,000 tons per year.

The latest addition to the range of coated steel sheets is Elpbal, an aluminium-coated sbeet, wbicb bas been produced on a pilot production line for some time and will be going into volume production early in 1972 when the new wide coil line is commissiooed. Elphal is produced by the electrostatic application of high-purity aluminium powder to the steel surface, followed by compaction rolling and sintering. Its most obvious feature is that it offers corrosion resistance at elevated temperatures which previously necessitated the use of expensive alloy steels or non-ferrous metals, and it is eminently suitable for exhaust allencers and other heat exchangers. It also has an excellent surface finish which could lead to its use for such things as lithographic plates, trim on automobiles and consumer goods, coins and so on.

Many possibilities

Even more important, powder coating technology can be extended to other metallic coatings such as copper, nickel and chrome, thus offering many interesting possibilities.

Strangely, the most important coated steel product is familiar to all, bnt is often not recognised as steel. This is tinplate—thin mild steel sheet coated on both sides with a much thinner coating of tin (a typical *can* or "*tin*" *would be* about 0.008-inch steel with 0.00002-inch of tin on each surface) which combines the strength of steel with the corrosion resistance of tin.

Consumption of tinplate in the U.K. is now about 1m. tons per year: 90 per cent. is used in packaging, 75 per cent. being for food packaging. Consumption of tinplate is expected to increase steadily in the foreseahle future. Thinner steel and thinner coatings are used now than ever before. Tinplate made from new stronger (double reduced) steel is used widely for beer and soft drink cans—a fast-growing market—and shortly there will appear on the market cans made from tin-free steel with a new coating —Hi-Top, a duplex layer of metallic chromium and chromium oxide whicb has good lacquer adhesion.

The development of new types of sheet from which to make one-piece cans (without a soldered seam) and steel easy-opening ends is also taking place. The easy-opening aluminium end has been of importance in belping the tinplate can in *its penetration* of the beverage market, and a number of steel easy-opening ends are in development for both beverage and food cans. They offer the only satisfactory solution for easy-opening food cans, a development whicb should take place on a large scale before *1975. Manufacture* and evaluation of very thin steel—down to 0.001-inch—by novel techniques is also well under way. These and other devclopments will ensure tbat tinplate and related products continue to be not only important in the steel spectrum, but also the most important packaging for processed foods and many other products.

To conclude with a glimpse into the future, new techniques are now being investigated for the application of lacquers. These processes are entirely naw technologies and should give the capability of producing new and advanced coatings within the foreseeable future, mainly based on vacuum and powder tecbniques. The BSC is determined to remain in the forefront of the new technologies being developed for coating steel sheet and the researcb programmes already under way shnuld ensure that our reputation as innovators in this field is maintained.

Demand for stainless falls

By DAVID WALKER

Stainlass steel is in the doldrums. Throughout the world, demand has slumped at a time when production facilities are being increased.

In many producer countries, not least Britain, imports at the same time have soared. A product for which regular growth has in the main been taken for granted has proved itself as vulnerable as other areas of industry to forces often outside the control of the organisations manufacturing it.

The problems really started two years ago, when the 1969 Canadian nickel strike forced prices to soar upwards thanks to the resulting world shortage of a basic stainless steel constituent.

Thus, not only was the size of the market reduced at a time *when steel generally* was going through peak demand conditions, but the concept of stainless steel as a material with a stable price pattern was shattered.

None the less, confidence in the industry remained high, as was demonstrated by the number of projects for additional manufacturing facilities.

Not enough

That not enough marketing bad been done by some producers in the U.K. was quietly admittad. Difficulties arising from political interference in tha industry by both Socialist and Tory governments were named as contributing to the situation.

But, basically, it was thought that more normal price levels would be enough to bring about a *resumption* in *demand*. In fact, even with the ending of the nickel surcharge and the first aigns of a nickel surplus, demand has continued to fall.

U.K. production of finished stainless steel in 1970 was well down on the previous year, at 116,440 tons against 121,370 tons, reflecting the cutback in orders.

In the all-important cold-rolled sbeet and strip sector, which accounts for 50 per cent. of U.K. outpnt, demand in this country dropped by 10 per cent. on 1969. For the first half of this year, sales were again 10 per cent. below those in the corresponding period 12 months before.

In effect, there bas been no growth in boma consumption since 1968. As the supply situation has eased, the stainless industry has mirrored the downturn in demand for steel generally caused by the downturn in industrial investment and the lack, in real terms, of consumer spending.

The U.K. industry bas been given a sbock. After seeing an 8 per cent. annual growth rate for some time, it has reached a plateau. And, even though there is no doubt that demand will grow again, there is now thought to be no prospect of that rate being resumed.

The rest of Europe has been going through tha same situation with possibly France alona faring better than average. Even in Japan, the prospect of a 15 per cent. annual growth rate appears now to have been ruled out, *current thinking* being *in* terms of only an 8 per cent. yearly advance.

Alongside this, imports have gone up to reach *37* per cent. of apparent U.K. consumption. Although Japan is often regarded as the prime threat here, it is in fact only second in the table of importers after France, and followed by Sweden and Canada.

At the same time, U.K. exports have been declining fol-

Continned on next page.

U.K. FINISHED STAINLESS STEEL PRODUCTION, '000 tons (NET DELIVERIES)

	1968	Private sector share, %	1969	Private sector share, %	1970	Private sector share, %
Plates	18.37	53.2	23.38	43.5	27.81	38.83
Rods	7.44	45.4	8.45	37.5	9.58	28.18
Sections, hot-rolled bars	16.64	74.1	18.87	75.9	21.34	91.38
Bright bars	4.80	94.5	5.27	93.3	5.59	78.50
Strip	16.14	88.7	14.04	86.9	12.91	84.50
Sbeet	43.87	42.0	47.75	39.4	35.80	40.22
Forging	3.31	89.8	3.61	83.3	3.41	73.60
Total	110.57		121.37		116.44	

STAINLESS STEEL IMPORTS AND EXPORTS BY PRODUCT ('000 tons)

	IMPORTS 1968	IMPORTS 1969	IMPORTS 1970	EXPORTS 1968	EXPORTS 1969	EXPORTS 1970
Plate	4.30	8.93	9.18	6.50	7.90	10.15
Sbeet	13.75	13.10	15.92	10.04	10.80	6.90
Strip	11.22	11.06	12.79	1.40	1.60	1.89
Bars	2.10	3.67	1.25	3.87	4.83	4.15
Rods	2.60	4.99	3.70	0.03	0.01	0.01
Total	33.99	41.75	42.84	21.84	25.14	23.10

WORLD STEEL IX

Shipbuilders unhappy with British prices

By JAMES McDONALD, Shipping Correspondent

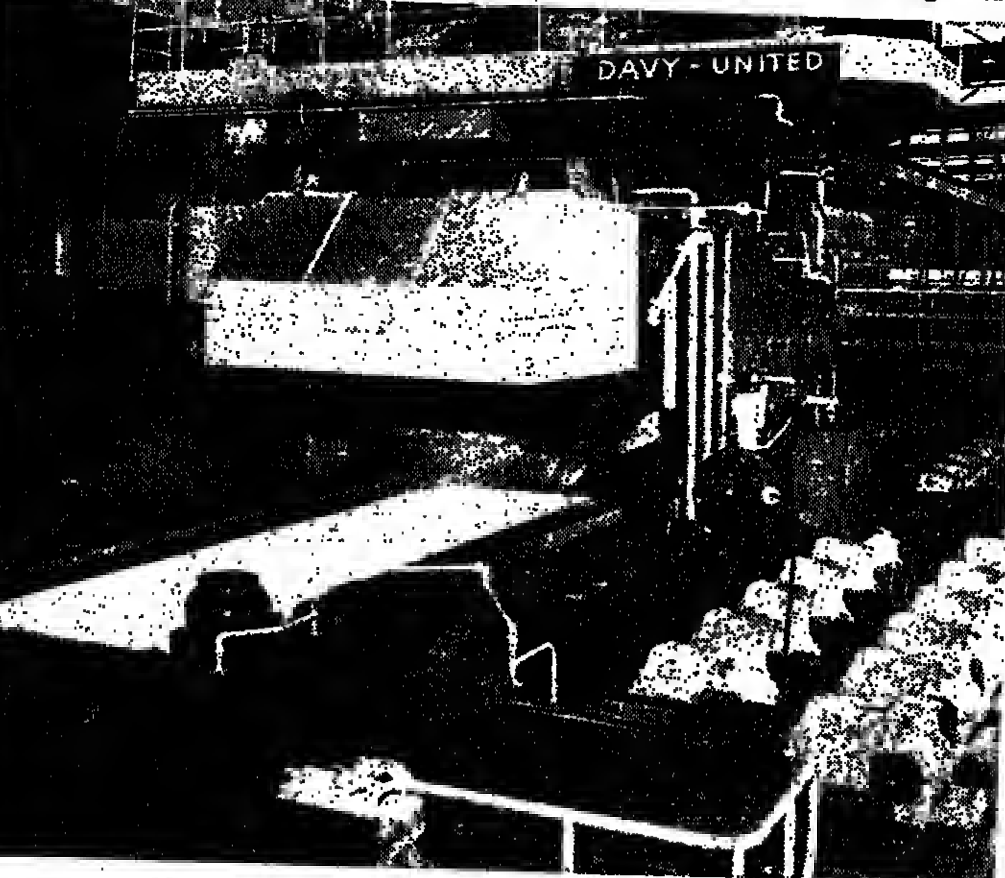
The British shipbuilding industry, which has been fairly static in terms of output in recent years, producing between 1.1m. and 1.3m. gross tons of ships annually, consumes about 500,000 tons of heavy steel plate a year, at current prices costing about £35m.

But relations between the shipbuilding industry and the British Steel Corporation have been far from happy over the past two years. Both industries have been bedevilled by rising costs and the shipbuilding industry, with its need to be internationally competitive, has protested about its need to buy British steel when prices overseas at times have been lower, particularly in Japan.

After a year of rising British steel prices in 1970, U.K. shipbuilders were particularly incensed over BSC's proposal early this year to introduce a further increase. There were many claims that the original price rise proposed, of 22.2 per cent. for heavy plate, would price them out of the international shipbuilding market.

In January, 1970, shipbuilding steel prices were raised by over 8 per cent. and again last October by another 8 per cent.

Then, last March, British shipbuilders faced the threat of a 22.2 per cent. further increase on shipbuilding plate under the British Steel Corporation's proposals for an average rise in prices of 14 per cent. This led to an outcry from all manufacturing industry, with the shipyards among the most vociferous. The industry was already licking its wounds over the abolition of the forward fixed-price ordering arrangements it had enjoyed in previous years. This arrangement had been partially eroded by the BSC last January, when it announced a hefty premium on forward fixed-price contracts. The suggestion then was that shipbuilders could either pay the premium or gamble on the price of steel being lower in two years' time than the cost of the fixed forward price plus premium. It is believed that a number of yards, with ships for delivery up to 1974, accepted the fixed price plus premium. Then in February the forward fixed-price contract system was completely abolished.



The 90-inch wide four-high Davy-United mill in the plate rolling and finishing plant at the Shepcote Lane Works, Sheffield, of Firth-Vickers Stainless Steels Ltd.

Strong opposition

Attempts then were made by the BSC to renegotiate existing fixed-price forward supply contracts with shipbuilders but met with strong opposition from the shipbuilders. At that time Mr. Norman Sloan, Director of the Shipbuilders' and Repairers' National Association, commented: "We are still working on fixed-price contracts for building ships, and losses are expected on them." They were not in a position to renegotiate the contracts without further increasing these losses.

Steel price increases over the past year or more, in fact, had helped—with the rise in other costs including labour—to upset all the calculations upon which British shipbuilders had bid for contracts. Even price rises in U.K. steel in 1969 upset the fixed price calculations on which British shipbuilders had tendered for vessels. Early last year Swan Hunter said that the 1969 steel increases were adding to the cost of ships' hulls alone between 11 and nearly 30 per cent., according to the size of the ship.

In the event, however, in April this year the Government intervened to limit the size of BSC's proposed increases. They were limited on average to 7 per cent. with shipbuilding plate going up by 10½ per cent.—half the proposed rise. Even so, the shipbuilders have not been happy. This latest increase, the builders argued, would add nearly £500,000 to the price of a very large ship, such as a 250,000 deadweight tons oil tanker, costing around £15m. With shipbuilders still working off fixed-price contracts this is a serious problem to a number of yards, which have shown in their accounts this year how much they have already lost on these orders.

Shipbuilders in Britain only introduced, during the sellers' boom early last year, escalation clauses in their contracts. This boom has now ended and it is likely that escalation clauses may go by the board as yards start to compete for less business to fill their yards beyond 1973-74.

Also, when the Government intervened in April, it announced a relaxation of the credit rules which limit steel imports by U.K. shipbuilders, without consulting the British Steel Corporation. It was explained that the limit of 20 per cent. placed on the amount of foreign material used in a British-built ship—if it is to qualify for assistance under the Home Credit Scheme and Exports Credits Guarantee—would be raised by "a modest amount."

Credit guarantees

Until then no steel was imported by British yards, except in the form of finished products, and 90 per cent. of the vessels built in U.K. yards are constructed under Government credit guarantees. The 20 per cent. limit has had, in the past, the effect of preventing U.K. shipbuilding making any serious attempts to purchase steel from abroad, although they suspected earlier this year that they could buy ship plate for as much as £10 a ton less than the new BSC price of nearly £70 per ton.

In the event, important imports of shipbuilding steel have not occurred. Most shipbuilders have long-term supply contracts with the BSC, on one hand, and on the other, the Japanese, who had showed willing to provide cheaper steel, baulked at the last moment.

With the current confusion over world exchange rates, but leading inevitably to an upward revaluation of the Japanese yen, Japanese steel must be more unattractive to British and Continental shipbuilders.

FREE WORLD PRODUCTION OF STAINLESS STEEL INGOTS AND CASTINGS
('000 metric tons)

	1955	1960	1964	1965	1966	1967	1968	1969	1970
U.S.	1,105	908	1,307	1,353	1,496	1,315	1,297	1,420	1,163
Japan	50	297	691	660	755	1,081	1,198	1,547	2,050
W. Germany	151	288	301	326	347	393	462	533	558
France	70	191	235	246	279	328	367	423	468
Sweden	86	180	255	280	295	308	355	371	411
U.K.	161	251	238	281	260	252	258	266	286
Italy	20	63	103	131	187	210	233	221	245
Others	57	97	150	158	171	188	200	219	199
Totals	1,700	2,275	3,300	3,435	3,790	4,075	4,370	5,000	5,380

Stainless–(Cont'd)

Continued from previous page

lowing the peak reached in 1969, in the face of surplus capacity in virtually all other producer countries.

For world capacity is continuing to rise. Between now and 1975, potential world-wide production of cold-rolled stainless steel will have increased by 500,000 tons a year bringing the total to 2.5m. tons against the present 2m.

World demand, however, amounts to only around 1.6m. tons and shows few signs of going up. In Britain, with a home market of less than 60,000 tons a year, capacity now amounts to 85,000 tons annually and will rise to around 105,000 tons by the middle of next year.

With stainless steel plates, the other major sector of the industry, the demand situation is currently much happier. In Britain last year, orders rose by 10 per cent. on 1969, and a similar advance has been experienced so far this year.

Here, however, fears of future difficulties are acute. The major customers are the process industries, whose own investment plans show little or no likely growth over the next few years. Present heavy demand reflects investment decisions made up to two years ago, and a fall is expected next year. Even now, most of the orders going through British Steel Corporation works are for plant which will eventually be exported, with very little for the home market.

Acute threat

Imports, once more, pose an acute threat to the U.K. producers, taking some 50 per cent. of the plates market against 30 per cent. three years ago, with Sweden, South Africa, and Japan respectively leading the table of overseas producers selling in Britain.

With both cold-rolled and hot-rolled materials pricing has been a key factor. The British Steel Corporation's statutory obligation to stick to a fixed price list available to both potential customers and competitors without the ability to offer discounts where an order might be lost has been an important factor, despite price reductions earlier this year.

The problem has been worsened by the capacity situation, which has forced overseas manufacturers into cutting prices to a profitability level which would previously have been unacceptable.

And the comparatively high prices still existing in producer countries as against those with no stainless steel manufacture has made the industrialised countries, like Britain, prime targets in the drive for sales.

Once again, the imports situation is virtually world wide, with West Germany, for example, particularly badly hit. As far as the U.K. industry is concerned, entry to the Common Market could ease the situation, with the strong possibility that the price flexibility enjoyed by other European Economic Community steel producers will be extended to the British manufacturers.

Even so, without increased demand, there seems little that can be done to stem the tide of imports. The British industry can offer customers service and a technical back-up, giving it some slight innate advantage over importers. But stockholders now account for 60 per cent. of the market, which means that those advantages are being eroded.

Fresh markets

Of crucial importance is the finding of fresh markets. Potential is seen particularly to exist in the building and plumbing industry, both in such things as stainless steel sinks and on the structural side. In catering equipment, too, the world-wide pattern of hotel development and updating of restaurants should produce additional demand.

The automotive industry, already a big user for vehicle trim purposes, is also seen as an even bigger potential customer. Stainless steel bumpers, widely used in France and once available here on some coach-built cars, are only one item which the industry hopes to see in greater use. Silencers are another area in which stainless steel could be used to everyone's advantage.

But fresh markets take a long time to develop. Meanwhile, the only thing certain is that competition will continue to intensify between the world's stainless steel producer countries. The industry's problems could yet worsen.

Scrap burner at work on an old main line steam locomotive.

Underrated role of the scrap industry

By DAVID WALKER

Britain's reclamation trades must form one of the most consistently undervalued sectors of the country's industry. Even at this time of particular awareness of the dangers to the environment caused by waste products, there appears to be little knowledge of the valuable role played by scrap businesses both in cleaning up the countryside and providing manufacturing business with basic raw materials whose absence could add to considerable increases in our imports bill.

Perhaps nowhere is that more true than in the ferrous scrap industry. Suffering from a public image which certainly owes something to the popularity of Steptoe and Son, it is made a butt of, and some of its most basic participants are regarded only as so many nuisances to be hounded at the whim of police, magistrates and the general public despite the growing enlightenment in some areas of the country. On a different level, planning permission for expansion is made hard to obtain because of that.

Tens of thousands of people are involved in the industry, from totters, gipsies and boys with barrows, to giant companies which are household names, handling 1m. tons or so of scrap a year each, and providing Britain's steel industry with 7m. to 8m. tons annually or, including the further 7m. tons a year arising in steelworks, a quarter of its raw material requirements.

In between come tiny businesses, doing their own collections of abandoned ferrous and other material and undertaking some rudimentary sorting of it. Generally, they sell to the 800 or so medium to large merchants handling 5,000 tons upwards a year, doing most of the central collecting and employing extremely sophisticated equipment in many cases.

Some 400-600 of those sell directly to steelworks themselves; the remainder deal with the others before their products too find their way to the steelmakers.

At the top of the tree are the household names like the George Cohen 600 Group, and Thos. W. Ward, with extensive interests now outside scrap. A further 30 or so others are important in their own areas only, but still play an extremely significant part in supplying the steel producers with an essential raw material.

The totters and so on alone supply 10 per cent. of all scrap, much of it of very high quality, and meet a national need in the cleaning up of the countryside.

Overall, the balance of payments saving through the use of scrap in steelmaking is estimated at about £100m. a year. That itself is a valuable contribution toward the restoration of the nation's health; no estimate can be placed on the value of the work in clearing the country of objects which would otherwise just be left to rot. Thus, in the London area, the scrap industry rids the streets of around 650,000 old cars a year. For the whole country the figure is over 1m.

The industry has also been a fast changing one, even in the traditional ferrous scrap sector, despite the rapid development of the non-ferrous trade, which is now the more important.

Before the war, it has been accurately said, scrap was "a minor and mucky ancillary to the iron trade." To-day it is big business in its own right. In the last few years, it has become far more capital intensive, and consequently far more economical in its use of labour. A large scrap processing plant to-day can cost more than £1m.

A few years ago, the average scrap yard would have got by perfectly adequately with a crane and some small shears. The main work would have been done by men using comparatively simple hand tools.

The demands placed on the industry, particularly the stringent quality requirements of the steel producers, which, in many instances, according to the industry, are significantly higher than those insisted on by their overseas equivalents, have forced changes. The scrap obtained in various sizes and qualities has to be graded correctly, cleaned from both dirt and contaminating materials, cut and, where necessary, baled and compressed. The result has been to force the up-to-date scrapyard to gear itself to a flow line production operation, necessitating heavy investment in capital equipment.

Modern equipment

A comparatively simple—though far from simple compared with what was common 20 years ago—scrap shearing machine can cost over £30,000. Earlier this year, for example, Harris-Economy introduced hydraulic shears, designated the MCBS 15-300, able to process up to $1\frac{3}{4}$ by 28-inch mild steel plate. These typify the modern equipment required by the scrap merchants. The shears incorporate pre-compression box methods, manually operated so that the squeeze can be most effectively applied depending on how the charge initially lies in the box. With them, scrap is compressed into a mass more suited to shearing, allowing the production of the even-sized pieces sought by steelmakers.

It is not just in the scrapyards that heavy capital equipment has become essential. Getting scrap metal, particularly from large objects like disused vehicles, to scrap processing plants in sufficiently large quantities is a major problem facing the contractors. One answer is the use of mobile scrap balers, which can be taken from one vehicle dump to the next to compress the scrap into compact bundles ready for transport to the yard.

Such machines can be gigantic. The Bird Group recently ordered three from Lindemann of Germany, which are able to handle trucks and lorries with ease, converting them within minutes into small pieces of re-usable scrap. Eleven and a half feet wide and $13\frac{1}{2}$ feet high, each weighs 112 tons, equalling in power some of the biggest equipment permanently installed in scrapworks. They compress a large, worn-out commercial vehicle and then guillotine it into compact bundles measuring about 3 feet square by 1 foot deep.

65-ton tractors

To move each from dump to dump, two British Leyland 65-ton tractors are used, with the machine between them on two bogies making up a 32-wheeled trailer. The total investment by Bird in the three units, including cranes, tractors, trailers and conveyors, is in excess of £500,000.

The need for greater capital investment has come, too, with the growth in the use of coated materials, a natural consequence of the trend for metal goods to become lighter. The contamination of metal involved in refrigerator, car and washing machine manufacture has become a growing problem for those whose business it is to reduce it to its basic constituent ready for re-use in the steelmaking process.

What the steel industry regards as the best quality scrap is diminishing in quantity all the time; again, expensive equipment is made increasingly necessary.

Alongside all that has come a reduction in the number of separate units operating in the industry. Big mergers such as that last year between Cohen 600 and the metal recovery interests of Thorn Electrical Industries have made news; the large number of small ones have not. But the process of rationalisation has been significant and is still going on.

With it, there has been a reduction in the numbers employed in the scrap trade. In the 1960s, the total is estimated to have fallen by one-sixth, and that again is a continuing process.

As the same time, the growing capital intensity of the industry has brought problems, which have been aggravated by the present cutback in demand for scrap in this country and overseas. Some areas have seen an over-concentration of heavy expenditure, with virtually neighbouring businesses each buying equipment sufficient to satisfy the needs of both and consequently working way below capacity.

Common Market entry, it is thought within the industry, should hasten the formation of larger units, and thus do a great deal towards the overcoming of that effective waste of resources.

WORLD STEEL XI

Iron ore market in state of uncertainty

By JOHN BAILEY, Metal Bulletin

The international iron ore trade must feel that it bas entered no-man's land at present. The sharp downturn in world steel production has hit the iron ore market just when confidence was returning after the depressed conditions of the 1960s. During that period there was a steady growth in ore demand—world production rose by nearly 45 per cent. between 1960 and 1970 to 754m. metric tons—but due to over capacity ore prices were severely eroded. It was not until the end of 1969 that the market turned the corner in the wake of the steel boom and prices sbowed a significant recovery in the following year.

Obviously, steel production plans hold the key to the future of the iron ore business. In the present uncertain climate existing ore producers are taking a fresh look at their expansion ideas and, nn doubt, potential newcomera to the trade must be asking themselves some searching questions, because iron ore is an expensive business to enter.

The tonnages between high and low demand fnrecasts can be considerable. For example, Japanese steelmakers originally proposed to produce between 155-160m. metric tons of steel by 1975, which would require some 175m. tons of imported nre (imports in the current fiscal year are expected to reach 118m. tons), but due to the cbanged steel market conditions this target has been trimmed back to 130m. tnns, calling for some 145m. tons of ore, a difference of 30m. tons a year.

The cutbacks in output bave forced steelmakers in most countries to reduce ore consumption sharply, and they have had to delay material already contracted for. This will mean that considerable tonnages will be carried over into 1972, which makes prospects for next year very unpromising. The position of those ore producers without a great deal of contractual cover is especially bleak, and it can be expected that severe price-cutting will again return to the market.

Growing power

Much has been written about the growing power of the Organisation of Petroleum Countries (Opec), which claims to be respnnsible fnr the substantial increase in oil prices in the past few years, and it is significant that a number of iron ore exporting nations are attempting to emulate Opec by getting together in an effort to counter the buying power of the big ore consumers. Their position Is, of course, greatly different from their oil counterparts. For instance, ore suppliers are not dominant to the same extent as Middle Eastern countries dominate the oil business. In addition, there is no foreseeable danger of the world ever running short of iron ore, as bas been predicted in the case nf oil, because total world resources have been estimated at a staggering 782,500m. tons (comprising 251,300m. tons of reserves and 531,200m. tons indicated).

Although the so-called Iron Ore Club bas important members such as Brazil, Venezuela, India and Liberia, it suffers to the extent that it has failed so far to attract the support of major ore producers like Australia, Canada and Sweden. In the long-term, bowever, its influence is bound to be felt, particularly in areas such as pricing policies—it is already working on the establishment of minimum export price guidelines—and such concepts as maximising the amount of processing of ores in country of origin will be pursued. Certainly, thoughtful ore buyers are watching political developments very clesely.

A subject that is no donbt under discussion in ore producing circles is capacity, as it is an area that any cartel would like to control. However, without support from countries such as Australia, there wonld be little chance of success for any scheme designed to prevent excess capacity depressing prices.

Australia bas, in fact, been a fantastic success atory so far as its iron ore exports are concerned and in the space of a decade has emerged as the most dynamic force on the international ore market. The big new mines in Western Australia have already boosted the country's output to 51m. tons and it is expected to reach 100m. tons by 1975 and this could be doubled by 1985. Australia's ambitions are by no means confined to exporting ore; she has plans to increase processing right up to the steel stage.

Australia's leading ore exporter, Hamersley Iron (set up by the RTZ gronp and Kaiser Steel of the U.S.) is planning to increase its capacity to 38m. tons by 1975, while Mt. Newman Mining (comprising Australia's BHP group, Amax nf the U.S., etc.) proposes to boost ontput to 36m. tons a year, of wbich 32m. tons will be exported. The mnch-delayed Robe River project has now reached the construction stage and expects to be shipping 10m. tons a year by 1975. Mt. Goldsworthy, too, bas expansion plans under way which will raise capacity to 8m. tons in 1973.

New concern

In Brazil, the state-owned ore company, CVRD, plans to double its existing capacity of 20m. tons by 1975 and a new private concern, MBR, in which the U.S.'s Hanna Mining has a big stake, expects to be shipping 10m. tons a year by that year. Hanna is also involved in Canada's biggest ore producer, Iron Ore of Canada, which is planning to expand capacity to around 33m. tons, while its near neigbbour, Quebec Cartier (a U.S. Steel Corporation subsidiary), is to raise its potential to at least 16m. and possibly 21m. tons.

The expansion of these eigbt companies alone is estimated to total upwards of 120m. tons a year, and several other producers bave plans to increase capacities running into several million tons. Many of the existing expansion prngrammes aim to have new capacity available by around the mid-1970s, and many existing producers have nn donbt outlined their longer-term strategy. They can expect, however, to meet considerable competition from the number of ambitious projects at present on the borizon.

In Australia, for instance, the successful prospecting partnership of Hancock and Wright has plans to enter the mining sphere in a big way and has linked up with people such as Texas Gulf Sulpbur, Mt. Isa Mines and the Goldsworthy consortium to exploit buge deposits in the Pilbara. Armco Steel is hoping to mine some of the controversial Angela reserves, partly as a means of financing a big steel project in Australia at Jervis Bay.

U.S. Steel, which has big ore interests in Venezuela and Canada, is actively studying with Brazil's CVRD potentially buge deposits in the Amazon region, while the Venezuelan government is hoping to attract partners to exploit the big San Isidro deposits. In Africa, the South Africans are trying to break into the ore trade in a big way with large-scale export proposals, and there are potential developments in a number of other countries, including the Ivory Coast, where Pickands Mather is studying a mine project. Liberia, which bas become an important exporter as a result of U.S., Swedish and German participation, is also anxious to expand exports.

India is richly endowed with iron ore resources and has substantial outlets in Japanese and East European markets. The American Marcona Corporation is currently engaged in investigating reserves at Kudremukh in southern India, for example. India is, however, bandicapped by inadequate ports and is bedavilled by poor rail facilities and its competitiveness will be affected until these are radically improved.

Tha Soviet Union which is the world's biggest ore producer, also has vast reserves, and its mines provide ore for its own large steel industry as well as the bulk of the needs of East European countries and important tonnages for the U.K. and other Western European countries. There are plans to step up shipments to the West, including a large-scale pellet plant, in wbich U.K. participation has been invited. Given the will, Russia could become a more important sourca both to Europe as well as Japan (from Siberian ore fields) in the future, although the need to improve the quality of much of the ore it supplies to its own steelworks might possibly delay export plans.

Prime products

The majority of the plans mentioned above envisage producing ore to to-day's market requirements, that is, from lump ore, fines, etc., to pellets. The growing sophistication of the modern blast furnace has meant that it demands prime ore products, and the days of shipping run-of-mine material are probably nearing their end. The last decada has seen an amazing growth in pellet consumption, and current world capacity of 150m. tons is schaduled to reach 200m. tons by 1977.

New technologies could, in fact, have an even bigger impact on the ore trade in the 1970s. There is, for instance, a widespread belief that pre-reduced ore (containing 85-95 per cent. iron) will make a significant breakthrough. This development would also have far-reaching implications for the steel industry because pre-redneed material can be fed directly into electric steel furnaces, thus avoiding the conventional blast furnace. Already, tha use of pre-reduced ore has allowed the launching of a number of small-scale steel plants—often called mini-mills—in varioua parts of the world.

A leading anthority on the ore market has pointed out that if world iron ore demand reaches 1,000m. tons by 1980 the industry will have to undertake commitments for providing new capacity involving unprecedented capital expenditure, possibly of the order of $10,000m. It is clear, therefore, that the next decada represents a tremendous cballenge to the ore industry. World ore needs will have to be evaluated and the enormous resources found to meet them.

Rapid advances in new technology

By CHARLES W. J. CRAWFORD, Technical Editor, Steel Times

For the world of steel, the second balf nf the 20th century has, to date, been one of extraordinary technnlngical change roughly comparable to the period of revolutionary change in steelmaking which followed the commercial development of two outstanding inventions—the Bessemer and the Siemens-Martin processes—in the second half of the 19th century.

Foremost among the current new technologies staods the LD converter steelmaking process, introduced in the early 1950s and already accounting for about half the world's steel production. Other revolutionary technologies since 1950 include the continuous casting process, various vacuum treatment processes, the vacuum arc remelting and the electro-flux refining processes, the injection of hydrocarbons in the tuyere zone of the blast furnace, automatic gauge control, the integrated automatic forge, high-speed furming processes, and, of course, the ubiquitous computer for the control of various processes.

This atmosphere of change, although gratifying to the technologist and a serious embarrassment to the planner and investor, is, fortunately, a blessing to the industry. There is no doubt tbat steel to-day is cheaper and of higher quality than it would have been without the application of these innovations.

Stable period

What, then, is the present outlook in steel technology? Is steel entering a relatively stable period like that which followed the introduction nf open-bearth and the Bessemer processes? Certainly not, fnr a quick look at the various "innovations around the corner" shows that the task of to-day's planner is even more difficult. This applies wbether planning for bulk steel production or the production of medium and highly alloyed steels.

Whereas a few years agn the planner's cboice for an integrated steelworks was a large blast furnance with sophisticated plant to provide a consistent burden and auxiliaries, sucb as hydrocarbon injection and oxygen-enrichment plant, to ensure higb and economic production rates, the planner of 1971 must examine a number of new direct reduction processes for iron production.

Operational know-bow on these new processes is now sufficiently extensive to make out a strong case for them to be chosen for an integrated plant of a capacity up to 5m. tons per year. Instead of coke ovens, blast furnaces, and L.D. converters, the plant would consist of kilns for prodncing iron by direct reduction of ore and large (say, 250-ton capacity) electric arc furnaces to convert the iron to steel.

One idea, recently examined both in the U.K. and Japan, is tbat of developing a combined nuclear power and steelmaking complex. It has been calculated that the integration of direct reduction and electric steel making with the process heat and electrical energy of a high-temperature, gas-cooled reactor would provide considerable economies.

Snme development work would be required, but tbe potential rewards are great, particularly in view of the increasing costs of fossil fuels. For the U.K., where the production of nuclear power and steel are under oational control, the administrative side of such a development should be relatively smooth.

Another avenue of change opened by the recent successes in the field of direct rednction processes is that iron-ore exporting countries are beginning to find it attractive to set up direct reduction plants on the ore fields. This trend is growing rapidly where supplies of a cheap reducing agent, such as low-grade coal or natural gas, are readily available to the ore field, as in Australia, Mexico and parts of Africa.

Steelmaking countries which now rely heavily on imported ore—Europe and Japan, for instance—may find it economic to make steel by charging imported iron pellets continuously into large, bighly powered arc furnaces.

Powder metallurgy

Another revolutionary development lurking around the corner is that of the application of powder metallurgy methods to bulk steel production. The manufacture of many engineering components from an iron powder base is alraady commercially viable, and the potential advantagas of applying this route to the manufacture of other steel products, sucb as steel strip and forgings, bas become more attractive and also more within the metallurgist's reach.

The production of bigh-quality steel strip from iron powder is already technically feasible, and it is only a matter of time before further reductions in the cost of iron powder aod in its subsequent processing make it the preferred route.

Likewise, the manufacture of forgings from compacted powder preforms is now receiving serious attention because it offers economies in the forging operation and greater consistency of material composition and structure than that obtain-

Continued on next page.

WORLD STEEL XII

BSC investment in the balance

By HAROLD BOLTER, Industrial Correspondent

Lord Melchatt, the British Steel Corporation's chairman, bas just decided to detach himself from responsibility for the day-to-day operation of the world's third largest steelmaker and concentrate on forward planning and policy. Faced, as be could be, with all the problems involved io a planned investment of up to £4,000m. over the next decade, the decision appears a wise one.

A decision on BSC's longer term investment is expected from the Government some time during the next two months, as part of the second phase of its deep-seated review of the nationalised steel industry.

BSC's basic case for carrying out the huge investment which it is now trying to persuada the Government to accept is that expeoditure on this scale has been forced upon it by its legacy from the past.

Before nationalisation, it has beeo arguing, investment was grossly inadequate for several years. This year, for instance, the nationalised steel concern will spend nearly £260m. on modernisation and development at current prices. In 1966, the private steel companies now acquired by BSC, spant some £70m. at 1971 prices.

A visit to a few of the Corporation's older works is sufficient to make the point that it inherited a great deal of obsolescent plant. There is evidence, too, that mucb of the equipment it took over had not been maintained adequately, giving rise to high maintenanca costs as well as high operating costs over the four years which have elapsed since re-nationalisation. In turn, this has led to low productivity.

The BSC has pointed out to the Government, too, that among the assets it inherited were four plaots which had come into production from 1962 onwards whare the effective capacities were much below the potential of some of their major constituent units.

Fixed assets

It has complained that, by the end of 1967, wben they were acquired, these four plants had together made losses of £130m. and none had become profitable. Nevertheless, the Corporation was obliged to assume debt obligations of £233m. in respect of these non-profit-earniog assets. Overall, there is a substantial amount of fixed assets included in the BSC balance-sbeets which cannot be made to earn an adequate return on the book value.

In this situation, large-scale investment, coupled with the closure of inefficient plant, is badly needed if the Corporation is to achieve a bealthy profit position and expand to meet the future growth anticipated in demand.

Equally, although this is not directly the subject of this article, it is obvious that some formula must be reached which will enable BSC to react more quickly to market forces in the prices field, while retaining effective overall controls by tha State.

The alternative, and it is one which has been canvassed, is for the nationalised steel industry to be left to run itself down and for the U.K. to rely on imports from more efficient steel-producing countries.

The Government appears to have recognised the dangers inherent in this course. Although BSC may not obtain permission to carry out all the investment it would like—in fact the indications are that it will not—it should he ahle to go forward with a substantial part of it.

BSC would like to incraase its crude stael output from tha present level of about 25m. tons a year to 40m. tons or more in 1980 or shortly afterwards. It admits that the present growth of the U.K. market would not support this sort of tonnage, but believes that the economies of scale wbich could he obtained from larger units should enabla prices to be chargad which would belp secura a much larger export market for BSC products.

The £4,000m. which BSC is seekiog to spend is made up of £3,000m. for fixed investment in the U.K., £450m. for investment overseas, largely in iron ore and coking coal projects, and £250m. additional working capital. Some of these costs are inter-dependent.

The biggest single cost would be incurred in the construction of a major new works with an ultimata annual capacity of up to about 15m. tons of cruda steel on a "green field" site yet to be chosen. Expenditure bere would be of the order of £1,500m.

Through computer studies BSC bas narrowed the choice of a site for this project down to two, it is believed. One fulfils all the economic requirements of building a works of this scale near to deep water facilities, which would enable giant ore carriers to berth and he near the potential markets at home and overseas, which suggests a South Coast site. The other finds favour only when social considerations are taken into account, which points inevitably to a possible site in Scotland.

At the moment BSC is unwilling to reveal these possible sites and, in any case, the wbole exercise aeems likely to prove somewhat academic. Present indications are that the proposal for a "green field" site development will be left on the tahle wbeo the Government pronounces on BSC's plans.

Tbe Corporation should bave more success with its proposal for a "brown field" development, built near an existing plant and sbaring some of its facilities.

Under this plan BSC would build a plant of at least 6m. tons annual ingot capacity, probably at Redcar in Yorkshire, whicb could be stretched later by a further 2m. tons. This involves a potential expenditure of £800m. With the 4m. tons already being produced at the BSC's Lackenby works next door, the combined operation would have an initial capacity of 10m. tons and a potential ontpnt, with further expansion, of 12m. tons.

Additionally, if the "green field" project is left in abeyance, it is possibla that the Government might support another "brown field" development, building on existing modern resources, elsewhere in the U.K.

The £450m. whicb BSC would like to set aside for investment overseas is a clear enough indication that it has no intention of investing in a "green field" project overseas. Such a scheme would entail the expenditure of at least £1,000m.

Coal imports

Most of the £450m. would ba spent on securing long-term sources of supply for coking coal and iron ore. The BSC bas complained long and somewbat bitterly over a period of several years tbat Governmant restrictions on coal imports have enabled other steel producing countries, notably Japan, to sew up the most attractive sources.

With the Government's decision to allow imports of coking coal on open general licence from December 7 last year the Corporation began to bring in comparatively small quantities of foraign coking coal to supplement low-volatile coal supplies from the National Coal Board.

Inevitably, however, BSC's requirement for coking coal from abroad will depend on whether or not it is allowad to go ahead with its larger investments, particularly the "green field" project.

In tha last few weeks Lord Melchett bas been at soma pains to point out that BSC has some major achievements to its credit, including a world leadership in electric arc steelmaking and special steels, the largest and most modern ore port in Europe at Port Talbot and hot and cold rolling facilities which are as good as any on the Continent.

Equally, he bas accepted that great problems and difficult decisions lie ahead in modernising an industry which has its roots set in the 19th century.

His decision to concentrate full-time on the control of development and the initiations of policy, the future planning of the Corporation's business and developments, its external relations at Governmental, national and international levels, and tha provision and control of finance, financial policy and BSC administration and organisation was clearly necessary.

Construction progress

By MARTIN ROUTH

—Estimates of the amount of steel used in the building and civil angineering industry vary; according to the Annual Statistics for 1970 published by the British Steel Corporation, the figure is just over 1m. tons; according to the Constructional Steel Research and Development Organisation, the quantity is 2.8m. tons, wbile the BSC Press office maintains the figure is "over 2½m. tons."

The figure presumably depends on what definition is applied to the construction industry, hut accepting that it is more than 2½m. tons annually, the importance of technological improvement is considerable. However, because of the enormous capital costs of new steelworks and the time taken to get them working, major technical developments tend to be rather few and far between.

Steel products extensively used in the construction industry include rods and hars used in reinforced concrete and beavy rolled sections used in structural steelwork. The third main product is sheet steel cladding. In addition to these, quantities of tube, pipe and plate are also employed.

As far as reinforcement is concerned, one recent technical innovation is GKN's TorBar—a high-yield deformed bar produced hy cold twisting a specially designed bot-rolled mild-steel bar. Theoretical calculation has shown that 30 per cent. savings in steel are possible for the same stress level wben this material is used instead of mild steel. And when account is taken of the reduced charges for transport, handling, cutting, bending and fixing, the direct savings in steel cost can become significant.

High strength

The lack of contact between transverse and longitudinal rihs eliminates harmful stress raisers, and the high bond strength is achieved by the combination of helical longitudinal ribs and transverse ribs. The bar qualifies as baving high bond strength under the conditions of the building code CP 114 and the draft of the new unified hulding code.

Despite being a cold-worked bar, it can be welded and full strength butt welds are possible. Bend and reverse bend tests have been satisfactorily carried out at temperatures as low as minus 30 degrees Centigrade.

As tha high yield characteristics of steel are achieved either by altering the cbemistry of the metal before rolling or by cold-working it after rolling, GKN (Sonth Wales)—part of GKN Rolled and Bright Steel—having no control over the steelmaking, had to install automatic cold-working machinery in order to produce Torbar in any great quantity. That the market for high-yield bars is expected to grow is evident from the fact that GKN invested about £500,000 in plant geared solely to the production of this material.

Stainless steel "Staifix" bar, produced by George Clark (Sheffield), is another recent development in tha field of reinforcement. This material—made from billet supplied by the BSC's Stocksbridge Works—has been used in precast panels used on tower blocks and maisonettes built for Manchester Corporation and as reinforcement and fixing for a development at Kidbrooke, south-east London, for the GLC, among other things.

Its high corrosion resistance, combined with high tensile strength, means that besides savings in reinforcement material, less concrete coverage is required.

One of the mora significant technical achievements on the structural steel side concerns the development of weldable, high-strength "weathering" steel. A product called Cor-ten is made in this country by the Corporation under licence from the U.S. Steel Corporation. With a yield strength considerably bigher than that of mild steel, Cor-ten also offers valuable weight savings.

The steel contains a total of about 1 to 2 per cent. of alloying elements, such as copper, chromium, nickel and pbosphorous, and on exposure to air, forms a protective oxide coating. This means that conventional protection, like painting, is not required and consequently no maintenance costs are incurred.

Pleasing texture

From an architectural point of view, the material has a pleasing textura and the colour changes from brown to purple as time passes. Cor-ten is available in two grades: A and B. The A grade can be used for all sorts of structural and machinery applications, but for bridgework the B grade is normally required.

Weight savings of the order of 30 per cent. are possible compared with mild steel (as is tha case with Grada 50 BS 4360), but the B grade costs about 25 per cent. more than Grade 50. Experience shows that when all aspects of the use of weathering steels are considered, the initial costs of structures do not exceed those using steel requiring applied surface coatings, according to the BSC. And the subseqnent savings in maintenance offered by these materials ara a bonus that adds to their attractiveness.

Steel, of cnurse, is the vital matarial in the thin-walled box girder bridges that bave been in the news so mucb lately. To try and win the contract for the building of one particular bridge—the Humber Bridge—a consortium called British Bridge Builders bas just been formed. Its members are the Constructural Engineering Division of the BSC (formerly Dorman Long), Cleveland Bridge and Engineering Company and Sir William Arrol. Freeman Fox and Partners were recently confirmed as consulting engineers.

For a prestige project nf this significance — the hridge will have the lnngest clear span in the world, over 1 kilometre in length—it is to be hoped that tha construction will be carried out hy British contractors.

In any event, certain recent events related to the erection of this type of hridge have shown the advisability of a singla contractor heing vested with sole overall responsibility. The above companies, under a different partnership, undertook the construction of the Forth Road Bridge and the Severn suspension bridges by target price contracts.

Looking now at cladding, another aspect of building in which larga amounts of steel are used, the main development of recent years is coloured organic coated panels. Some 25,000 tons of this type of material was used last year, which may be compared with the 40,000 tons of galvanised corrugated sheet which are used mainly in the agricultural and temporary buildings sphere.

A number of proprietary brands of plastic-coated cladding systems exist, often comprising an integrated system of components including closures, cappings and flasbings.

That steel cladding adds a certain degree of stiffness to buildings bas been known for years, but it is only recently that this has been qnantified and developed to the point of being a valuable aid in design. Work on stressed skio construction, as this subject is called, carried out at Salford University under the direction of Professor Bryan, bas shown that savings of up to 25 per cent. in construction material weight are possible by taking the stiffening effect of the cladding into account.

Technology—(Cont'd)

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able by the conventional ingot-forging route.

In the field of special steels it is significant that a plant to produce 3,300 tons per year of bigh-speed tool steel by a new powder route (ASEA-STORA process) is currently being commissioned in Sweden. Is the relatively new electro-flux refining process, whlcb came to the fore as a producer of bigh-speed steels only five years ago, going to be superseded so soon?

In considering the more conventional liquid iron steelmaking route the planner will still have difficult choices to make. The question of blast-furnace capacity will loom large—should it be 5,000, 10,000, or 15,000 tons per day? Also, sbould the technique of injecting reducing gases into the bosb now under development in Japan be provided for in the design?

Although the L.D. process is currently a highly economic one, it would be folly to ignore developments in continuous steelmaking sucb as the IRSID and spray steelmaking processes.

In planning an electric melting sbop the adoption of the slanted electrode design, of scrap preheating, of continuous cbarging of fragmentised scrap and/or reduced-iron pellets and of ultra-high power operation must all be debated.

For the production of strip there is a growing likelihood that the successful continuous casting of relatively thin strip will eliminate much of the conventional rolling equipment.

Assuredly, rapid tecbnological development continues unabated and the planner in steel must, more than ever, be on the alert to its influenca on quality and investment and nnerating costs.

هكذا نتواصل

Why Moscow is still talking to everyone

Moscow's reprisals against Britain are discussed by **Michael Simmons**, East European Correspondent, in their wider context of a sudden flurry of Soviet diplomatic initiatives

MOSCOW'S "officiel" airports, used almost exclusively by incoming end outgoing dignitaries and national leaders, bave never been so busy as they are just now. To-day the most important visitor, who will dnubtless be given the warmest possible of orchestrated welcomes, will be President Sadat of Egypt. Last night Mr. Alexei Kosygin, the Soviet Prime Minister, was returning from Morocco, completing a North African tour which also took in some very careful talking in Algeria. President Podgorny has just undertaken a trip thet started in Delhi and Rangoon, and culminated in a five-day stay in North Vietnam, with which a new trade and aid agreement has been signad.

The unprecedented Soviet diplomatic offensive, in other words, is at its beight, with only a slight disturbance having been caused by tha expulsion dispute with Britain. The Russians' main cause for aatisfaction, ea the dust settles, is likely to derive from the fact that Britain is now out of step with nther Western countries when it comes to pursuing the dialogue of *détente*. The Russians' aims will remain unchanged.

Climax coming

The offensive will probebly reach a climax to-day fortnight when Mr. Leonid Brezhnev, the not-so-widely travelled Party leader, aets off for a five-day official visit to France. This will be his first visit to Western Europe since he took over the leadersbip at the end of 1964, and will constitute a landmark for him personally as well as underline the "special relationship" that the Russians, with rather more ostentatious enthusiasm then the momentarily wary French, are seeking to forge between the twn countries.

President Pompidou, it can be expected, will do his best to get Mr. Brezhnev into a clearer fecus during his stay. He is anxious after all, not to be outbid by the West German Chanceller, Herr Brandt. The official programme, announced last week in Paris, indicates four sessinns of formal talks between the two leadera in the five-day stay, and Moscow is insisting that this visit is "vivid testimeny" of the mutual understanding and agreement prevailing between the two countries.

But Franco-Soviat relations, for all the warmly received effnsiveness of M. Schumann, French Foreign Minister, when be was recently in Bulgaria, are not quita what they were in de Gaulle's day. Certainly thera is talk in Paris of e possible *de facto* recognition of East Germany—at which the Russians weuld he cock-a-hoop. But there remains something enigmatic behind the Brezhnev trip tn Paris. Quite wbat the Soviet leader bopes to achieve, beynnd a mucb enhanced *image* for himself in certain places at home and abroad, is not easy to discern.

To some extent, this air of puzzlement pervades a number of the Soviet troika'a trips—those just made as well aa those in prospect. (Those still to come include Canada—possibly even the U.S.—later this month, and Denmark and Nerway, in six nr seven weeks time, all entrusted to Mr. Kosygin.)

In every capital on the Soviet leaders' itineraries, apart from Canada, there has been a growing, and active, interest in fostering relations with China. In positively evary one, the ewereness is as sharp as it is in Moscow that the Soviet diplomatic initiatives have come in a strangely sudden flurry following the traumatic—to the Kremlin, anyway — announcement from President Nixon that be was to go to Peking.

For it should not be forgotten that Chine's long period of self-imposed isolation sulted the Russians very well. While Peking was eut in the cold, they have been able to edopt a posture of *détente* tewards the West. At tha same time, they have been eble to watch with delight as the Kremlin-watchers in their turn pondered what they, the Russians, were up to in, fer instance, the Indian Ocean and the eastern end of the Mediterranean. There is e certain discernible smugness among Soviet diplemats over tha political capital they have been eble to make out of such Western pondering.

Caught napping

But as this smugness, an inevitable by-product of the self-assurance that has come to the Kremlin during the Brezhnev era, has grown, so too has the pre-occupation of how to deal with the unpredictable Chinese. China's decision to end its isolation caught the Russian people completely unawares and, so far as I was able to gather during a fortnight travelling ebout the Soviet Union et the time of the ping-pong initiatives, also rattled the leadership considerably. It also altered the course of the still-festering Sino-Soviet dispute.

Two years or so ago, this dispute was at its nastiest when shots were fired across Far Eastern rivers and massive troop deployments took place. Then the ahots gave way to exchanges of hard-bitten polemics. Now, while the polemics continue, both sides are visibly vying with eech other in the field of ective diplomacy, to say nothing of tha trade end aid dispensed as a corollary to such activities.

Thus, Mr. Brezhnev will be in Paris only a matter of days after one of the most senior delegations to come out of Communist China. He will arrive in the knowledge that the French Prima Minister, M. Chaban-Delmas, has accepted an invitation to go to Peking. Thus, too, even while Mr. Kosygin was in Algiers, further touches were being put to a long-term trade agreement that the Algerians expect to sign soon with the Chinese.

The diplomatic round . . . Left: President Sadat of Egypt who arrives in Mescow to-day. Centre: Mr. Leonid Brezhnev, Seviet Party leader, who goes to France in two weeks time to meet President Pompidou (right).

Last Thursday, abeut four days after the departure of President Podgorny from Rangoon, the Burmese Government announced that Peking had agreed to the extension of its interest-free loans to Burma for another five years, formally giving new life to the bilateral economic and technical co-operation agreements signed in 1961.

Tha new Soviet agreement with North Vietnam was only signed after President Ton Duc Thang, at an official banquet for Mr. Podgorny, had rubbed in the point that Hanol was also getting "strong sympathy and support" from China as well as Russia.

When Mr. Kosygin reaches Copenhagen and Oslo he will doubtless be intrigued to learn something of the cemmercially-oriented talks enjoyed in both places, only last week, by yet another Chinese trade delegation.

New impetus

Such activities on the part of the Chinese—even allowing for the fact that internal ructions in Peking might suddenly closa the "open door"—are bound to disturb the Russians. But this disturbance reverberates even beyond the chosen itineraries of the Soviet leaders. Chinese aid to developing countries throughout the world, it has been estimsted, came to nearly $700m. last year, compared with less than $300m. from the Soviet Union and $185m. from the countries of Eastern Europe, and Chinese terms, furthermore, seem easier than these offered by the Russians, who tend mere often than not to encourage projects mere directly beneficial te the Soviet economy.

China's "open door" has therefore given a new impetus to a foreign policy which has hitherto largely been determined by the extant te which non-Communists have encroached on the well-being of the Communist movement in general and the Soviet Union in particular. It has also rather dented the Krushchev concept of co-existence which was on the lines that Russians do not negotiate on a give-and-take basis, for the simple reason that they had nothing to give. You could not make concessions, according to Khrusbchev, if you were not even bartering.

Evidence that the Krusbchev concept is no longer valid—aside from the fact that line-toeing Soviet officials tend to wince wben one mentions his name—came with signing last menth ef the four-power agreement en Berlin. (This said, it is interesting te nete that the Seviet Fereign Minister, Mr. Andrei Gromyke, is now repertedly concerned not to be left empty-handad by the Bundestag new that concessions have been made by Mescew.)

But the impetus to re-shape fereign pelicy has also come frem other consideratiens. Moscew is still en the alert for all the Western technolegy it csn get, and bi-lateral agreements to this end have been signed with increasing rapidity. Trade patterns, toe, have changed as diplematic activity has heen slepped up. Mr. Nikolai Patolichev, Russia's very astute Minister for Foreign Trade, has gene on record—in the Government newspaper, Izvestia—as saying that econemic and trading relatiens were "important Instruments" of Soviet fereign policy. A glance at the growth rates in turnever with West Germany, France, Egypt, and Indis—te name but feur—confirms his thinking.

Equally significaot, since Moscow estensibly dees net yet have time for what it calls the "closed economic greuping" of the Common Market, is the sudden growth in trade with Japan, as well as that likely to follow the agreement just signed with Canada, prnbably to be underlined when Mr. Kesygin gets te Ottawa.

Détente with the West, in other words, is one way of strengthening economic relations. The calls for a Europeen Security Conference—not quile so confident since the row blew up with Britain—are being made by the Russians partly, as Mr. Patolichev has also indicated, to create "e favourable climate" for closer econnmic contacts between East and West.

When asked precisely what the West would get out of such a conference and whether it were not in fact merely a means of consolidating the status quo in Europe to-day, Soviet spokesmen tend to lull one with words about "the need for peace . . ."

If, however, the West's eagerness te come to the conference table manifestly varies in Soviet eyes from cenntry to country, and if these differences are underlined by Soviet favouritism this way er that, then, tne, the aims nf Soviet fereign policy are being well served.

Put another way, if the French State-owned Renault meter company agrees te Soviet terms for a plum cootract to join in tho huge lorry plant being built nn the Kama River soon after the Brezbnev visit, while at the same time British trading and political relations with the Kremlin remain in a state ef suspended animation, then tbe Russians will have good reasen te be pleased with themeselves. The KGB may have suffered a slight blow from the British rehuff, but the net result will be that Mescow will be able to expleit the differences that may emerge between Paris and Londen policy-makers—even as these policy-makers are preparing to sit down together at an EEC table in Brussels.

Hot and cold

Add tn this tbe fact thal Mr. Brezhnev, at his informal best, has just made friends with Herr Brandt, even though he, apparently remains quite capable of blewing het and cold on the *Ostpolitik*, aod the fact that neither the Americans, the British, ner the French are over-sure of what to make of this new friendship, and the Kremlin's fnreign policy team, have further reason for satisfaction. Their ultimate aim, as Communists, can only be served by such confusion. Small wonder that, as they count tbeir dividends, they feel able to discuss arms cuts with the Americans. But even as they sit down, the Russiens must be increasingly aware of the very chilly draught at their backs.

Labour News

NCB answers pit pay claim tomorrow

BY OUR LABOUR REPORTER

THE £120M, WAGE CLAIM for Britain's 290,000 miners will be answered by the National Coal Board to-morrow. Mr. Derek Ezra, Chairman of the NCB, has already warned the union of "serious consequences" if the price of coal is pushed np faster than other fuels.

He gave the warning the day after the National Union of Mineworkers' annual conference bad approved the wage claim for increases of up to 45 per cent. Tbe conference also voted to back tbe demands with industrial actien if the NCB rejected them.

The union has asked for a £26-a-week minimum for surface workers, an £8-a-week increase, and £28 a week for underground workers, an extra £9 a week. It also wants adult rates to be paid from 18 instead of 21, and a minimum of £35 a week for those working under the National Power-Loading Agreement.

Mr. Ezra, wbo succeeded Lord Robens as cbairman, said in June that the miners must have a wage increase, but refused to be drawn then on what size of increase tha industry could bear.

But he said the prospects for the industry were much better than in the 1960s. Cbeap and plentiful supplies of nuclear power had not materialised and tbe cost of bringing oil to Britain bad increased.

Shopworkers to defy TUC on registration

BY ALEX HENDRY, LABOUR REPORTER

THE executive ef the 329,000-member shopworkers' union decided yesterday to defy the TUC's policy instructing members to take immediate steps te come off the new register of trade unions set up 11 days ago.

The decision is in line with that of the general council ef the General and Municipal Workers—the third higgest union in the TUC—whicb will recommend to a special GMWU conference next month that no decision should be taken on registration before next year's annual conference in June.

Mr. Alf Allen, general secretary of the Union of Shop Distributive and Allied Workers and a member of the TUC general council, is writing to the TUC to explain the decision of his executive and the problems facing USDAW if it tries to follow TUC policy.

Like many other units, USDAW has a rule which says it must be registered. The registrar has yet to say if such rules prevent the unions coming off the new register but the unions' own legal advice is that they will.

The Association of Scientific, Technical and Managerial Staffs is another union witb a "registratien" rule. It has written to the Registrar asking to come eff the register but is not proposing any rule change conference before next May.

Mr. Clive Jenkins, the general secretary, bas sent a detailed document to the TUC explaining the difficulties that ASTMS would face if it were not registered. The document gives apecific situations in named companies—mainly empleying white-collar workers—where, what ASTMS calls "bogus" organisations could register under the Act and, by using its provisions, exclude ASTMS from recognition and bargaining rigbts.

The first majnr union to change its rules so that it can come eff the register is likely te he the engineers', with more than 1.2m. members.

It is holding a special conference next mooth when the rule stating it will he e "registered trade unien" is to he deleted from the rule boek.

EPTU executive move to lift ban on Communists

BY OUR LABOUR REPORTER

THE EXECUTIVE of the Electrical and Plumbing Trades Union is to recommend to a special rules conference later this month that the ban on Communists holding office should be dropped.

The EPTU is the last majer union with such a ban. The Transport and General Workers dropped a similar rule a few years ago.

The rule was introduced after the successful High Court action in 1961 when it was shown that Communist officials had rigged certain election ballots. The action was brought by Mr John Byrne, who became general secretary, and Mr. Frank Chapple, the current general secretary of the union.

Some officials of the unlen resigned when tbe rule was introduced. But during the time it has been in force it has been an obstacle to merger talks with other uniens whose rules did net ban Communists from holding office.

The union bas also been advised that the rule could be illegal under the Industrial Relations Act, but says it was considering tbe change before that difficulty was raised by its legal advisers.

Yale study sees substantial benefits for U.K. in Europe

BY PAUL LEWIS

Connecticut, Oct. 10.

COMMON MARKET membership is likely to bring substantially greater benefits to British trade than the Government has estimated. Instead of the net deficit forecast in the 1970 White Paper, the balance on non-food items is more likely to show a useful surplus.

This is the principal conclusion of a new study on the trade effects of European integration which is being completed here on a nevel basis by Dr. Edwin Truman of Yale University and Dr. Stephen Resnick from New York City University. It is to be published shortly.

Price-sensitive

Using their own econometric model based on bilateral flow of trade in Europe between 1953 and 1968, the authors bave produced a new set of elasticities which, among other things, suggest that British exports are more price-sensitive than assumed in the White Paper. These have been used to forecast the likely impact of community membership under three diffarent hypotheses about tha position of the EFTA neutrals.

Assuming Austria and Sweden form e free trade area with the enlarged community hut maintain their present external tariffs towards the rest of the world, the British nen-food balance is expected to improve by $425m.—with exports rising by $770m. and imports by $345m. If the twe neotrals only keep their EFTA trading privileges, the oet improvement would be cut to $275m., while if they lost all trading privileges in the enlarged community the figure sbrinks further to $230m.

These figures still require correction to allow Switzerland's exclusion from the model because of incomplete data, a technical problem ever Denmark and, aheve all, the less of Commenwealth preference to Britain. If this is done to the first aet of figures, the Britisb gain falls from $425m. to $185m. The assumptions here are a 5 per cent. export loss in Switzerland (minns $16m.), another loss of $50m. in Denmark, and a 5 per cent. deterioration in Commonwealth trade (minus $170m.).

Nevertheless, the U.K. retains a substantial net gain, and the least one can say, therefore, is that it would take a dramatic decline of at least 10 per cent. in exports to the Commonwealth to wipe out the short-term trade advantage of joining the Common Market.

Moreover, this picture is radically different from that painted by the Gevernment in its 1970 White Paper which expected a net loss on non-food trade of between $300m. and $800m. This range must be cut in half to exclude the inflationary repercussions of the Community's farm policy and put it on a comparable footing with the Yale study. Bnt the difference is still between a ceriain deficit and at least the likelihood of a reasonable surplus.

Both Whitehall and the Yale study are at ene in regarding the overall balance of paymeots effect nf membership as incalculable because of the complexity of the common agricultural policy and the other community ventures. It is possible, however, that the Government would have been less vague about the cost of membership in this year's White Paper if it had not already published the pessimistic estimates for the non-food account which tha Yale study now challenges.

According te this same report, British exports to the community as a whole are likely to rise 25 per cent. en a weighted average basis, while imports will climb hy 18 per cent. The higgest market gain through membership will come in Germany (plus 35 per cent.), Belgium (plus 32 per cent.) and France (plus 25 per cent.), although imperts from these countries will climb hy 21 per cent., 17 per cent. and 19 per cent. respectively.

From e global point of view, a disturbing feature of the new study is that it forecasts a trade diversien ef up te $500m. frem the rest of the world as a result of the community's enlsrgement. This must be added to the diversion of nearly $2,000m. which has already taken place through tha Common Market's creation; and since a great deal of the loss is borne by the U.S., it gives some idea of the price Washington is paying for European unity.

Small builders' profits 'too low'

INVESTIGATIONS carried out by the National Federation of Building Trades Employers among members and non-members sbow that the profits of small building companies can be as mucb as 60 per cent. below wbat they sbould be.

The reasons given by the federation include out-of-date estimating and tendering procedures, abortive tendering, excessive expenditure on over-elaborate office systems and ineffective deployment of financial resources.

As a result of the report, fresb moves are being made by the federation—througb its management services unit, tbe Building Advisory Service—on the preparation of a series of training courses for the principals and executives of small building companies, defined as those employing 25 or fewer.

"Tbe value of our inquiries and investigatiens is that they bave pinpoioted tbose areas in which loss and waste in all its forms occur in small building companies, both in the office and on tbe siles, and wbicb erode profits at an alarming rate without anybody really being aware of it," said Mr. John Moss, director of BAS.

NEDC talks to-day on management education

BY ELSBETH GANGUIN

TO-DAY'S meeling of the National Economic Development Council will cencern itself with the second report of its cemmittee en management educatien, training and develepment. This repert stresses that the investment ef public and private reseurces in management educatien sheuld be a natienal priority.

The state ef the eceonomy will undoubtedly also come up, particularly as last week's Cenfederatien ef British Industry trends survey will have gooe to the Ceuncil.

It will nnt, however, be until the November meeting, in three week's time, that the "four wise men," Sir Frank Figgures, director-general of NEDC, Sir Douglas Allen, the Treasury's Permanent Secretary, Mr. Campbell Adamson, director-general ef the CBI, and Mr. Vic Feather, TUC general aecretary, are likely to present their list of discussion topics, designed to lead to positive ideas regarding the country's medium as wall as short-term economic problems.

Preparation of the list of specific issues was decided en in August, when Sir Frank described the purpose of the new NEDC initiative as "meving seciety inte a situatien in which the economy can enjey sustainable growth and a mere stable currency."

It was expacted at that time that the "wise men's" list could include subjects such as the structure ef pay settlements, problems of unemployment, the broad topic of economic growth, investment plans, and the problem ef the low-paid worker.

Also on the agenda to-day is the subject of international companies, which comes before the Council from time to time. The meeting will discuss a paper prepared hy the Department for Trade and Industry. It is not expected that a working party or committee to study the subject in depth will be set up as a result.

COMPANY NEWS + COMMENT

Brocks Group confident of growth

THE CHAIRMAN of the Brocks Group of Companies, Mr. B. R. Clack, looks confidently to further substantial growth and with this in mind the Board is considering the erection of an 80,000 square feet unit on the group's undeveloped land at Poole, Dorset.

As reported on September 15 pre-tax profit for the year to June 30, 1971, was £523,027 (£305,274) with a dividend of 40 per cent. (equivalent 30 per cent.). A one-for-five scrip issue is proposed, and at least maintenance of 40 per cent. is forecast for the current year on the increased capital.

Mr. Clack explains that as all production is now centred at Poole a greater degree of profitability has been achieved and the trend is expected to continue. The development programme is already beginning to show results and in production are several new items that will form the nucleus of future expansion—with orders already exceeding expectations at this early stage.

He points out that the group is not just burglar alarm specialists but is electronics orientated with interests in leisure and security markets. This by no means implies any slowing down in the burglar alarm business in which turnover and profit were well up on last year's and the Board is budgeting for further increases this year.

Meeting, Winchester House, E.C., November 2 at 11.30 a.m.

● comment

Turning round Astaron-Bird from loss to profit was evidently a significant factor in Brocks surpassing its £400,000 pre-tax profit forecast by such a wide margin, though precisely how "substantial" was A-B's contribution is not disclosed in the report. At the same time, the rest of the group went ahead strongly, showing turnover increases ranging from a-fifth to a-third, and the group looks set for continued growth in its various fields. The shares, now 173p, have come up from a low of 97½p this year so the prospect has not been overlooked, with a p/e of 18.8 on last year's earnings enhanced by a sub-normal tax ratio. This latter factor, however, may well persist with the benefit of A-B's past losses and if the forecast dividend increase of a-fifth indicates similar profit expectations, the p/e becomes a more moderate 15.6.

HIGHLIGHTS

With the exception of **Glaxo**, whose results for the full year are awaited later to-day, the week ahead is concentrated mainly on interim statements with the retail sector prominent. Thus, to-morrow brings **Marks and Spencer's** half-time announcement and on Thursday that from **British Home Stores**, while mail order specialists **Empire Stores** should have an announcement later to-day and **Grattan Warehouses** to-morrow. Among other notabilities are **Shipping Industrial Holdings** and **Brook Street Bureau**, both due to-day, **Babcock and Wilcox** to-morrow and **Austin Reed** on Wednesday. The Discount market is well represented, with **Gerrard and National Discount** due to-morrow and both **Jessel Toynbee** and **Smith St. Aubyn** on Wednesday.

Chester Barrie rationalisation

The Chester Barrie Group reports that unit sales for spring 1972 are running at 10 per cent. above last spring, with home and export markets showing buoyancy.

The group has recently carried out a review of manufacturing facilities at its six factories and as a result is to rationalise arrangements. Production of certain lines at the St. Albans factory of Nicholson (Coat Specialists) is to be transferred to other factories and will result in some local redundancy.

Nicholson's second factory at Swindon will remain unaffected and will continue to make rainwear and active leisure clothes, the demand for which is rising.

Elder Smith outlook brighter

GENERALLY, the outlook for increased earnings by Elder Smith Goldsbrough Mort. is "a little brighter," the directors state, but the problems of cost containment will inevitably continue as a major problem.

In their report with the full accounts for the year ended June 30, 1971, they say seasonal prospects are more favourable than last year, conditions being good over the major part of the continent.

Provided normal follow-up spring rains are received in the main cropping areas, and in the stock fattening areas, there is every reason to look forward to at least some improvement in livestock trading in 1971-72 year.

This could be further assisted as the result of the price support scheme for wool, as announced in the Federal Budget and such effect it may, in turn, have on sheep prices.

However, the proposed support price does not justify expectation of any significant rise in commission income from sheep sales. On the other hand, there is every indication that trading in cattle will remain buoyant with increased sales at good prices.

As reported, for 1970-71 there was a net profit of $4,001,236 ($5,799,425) and the dividend is 10½ cents (12 cents).

H. Vincent growth prospects

WHILE conditions following the prolonged warm weather and the unusual after effects of decimalisation have not yet returned to normal, present forecasts indicate that a further improvement in results of Harry Vincent can be expected, says chairman, Mr. S. T. Bridgewater.

The development programme will continue though, as usual, the full benefit of the current year's programme will not be seen until next year, he adds.

The decision to reduce purchase tax will enable the company to maintain prices for a considerably longer period than would otherwise have been the case. "We therefore face the new financial year with confidence," the chairman declares.

In preparation for entry into the EEC changes have and are being made to selling arrangements in Europe.

As reported on September 27, group pre-tax profit for the year to June 26, 1971, was £106,239 (£34,174) and the dividend is restored to 12½ (4) per cent. Turnover increased by 15 per cent. to a record £2,318,000. The normal seasonal pattern of demand was considerably affected by the change to decimal currency. It is still too early to assess the full effects of decimalisation but it is apparent that the currency changes and the introduction of larger monetary units have had a marked effect on consumer purchases in the lower price categories, says Mr. Bridgewater.

Overseas sales reached a record £388,000, an increase of 43 per cent. Substantial orders have been received from North America for shipment between December, 1971 and June, 1972. The value is in excess of £200,000, the largest ever received, and provides a good start to 1971-72.

The company manufactures confectionery and "Blue Bird" toffee. Meeting, Halesowen, October 30, at 11.30 a.m.

Galliford Brindley expansion

THERE ARE substantial funds available to Galliford Brindley to finance further internal growth and for acquisitions, says chairman, Mr. P. Thompson.

Currently, he reports, the specialist companies are enjoying the benefits of negotiated contracts. The building company has much industrial work on hand, and the civil engineering company is engaged in major works of urban reconstruction and main drainage.

As reported on August 27 group pre-tax profit for the year to June 30, 1971 increased from £428,844 to £483,419, and the dividend is stepped up from 50 to 55 per cent. Turnover was slightly lower at £8,448,000 (£8,882,000).

A breakdown of turnover and profit shows construction £7,325,000 and £415,000; engineering £580,000 and £68,000; plant hire £543,000 and nil.

Under the articles, on the day following payment of the final dividend this year, the Deferred Ordinary will convert to Ordinary shares, and thereafter rank for dividend. Bearing this in mind, the directors consider that the increase in the final dividend is justified—Mr. Thompson points out that even if such shares had ranked for dividend in this last year, 55 per cent. is covered more than two times by post-tax earnings.

At June 30 the company had repaid £125,000 of short and medium term borrowings, and had no bank borrowings.

Meeting Rugby, November 3 at 12.30 p.m.

● comment

Galliford Brindley achieved higher profits last year despite a 5 per cent. decline in turnover and a nil contribution from the plant hire side which accounted for 7 per cent. of group turnover. The improvement in margins in a difficult year is noteworthy; much of GB's success lies in its concentration on short-term contracts, averaging between nine-12 months, which avoid the worst effects of cost escalation. The group is well entrenched in the field of local authority work and looks well placed financially, so further progress seems in prospect. On last year's earnings, up from 4.6p to 6.0p per share, the p/e is 8.5 at 51p and some upward adjustment looks merited.

Assembling wing components for the Lockheed TriStar airbus at the Belfast plant of Short Brothers and Harland. The work is part of a £4.75m. order for ailerons, spoilers and wing-tips placed by the Avco Corporation of Nashville, Tennessee, and is the first time that the American company placed such a contract outside the U.S.

London Housing upturn

Reporting first half pre-tax profit up from £81,418 to £120,337, London Housing and Commercial Holdings directors state that the full year's results are expected to reflect "a satisfactory increase in profits."

An unchanged interim dividend of 7 per cent. has already been announced. A total of 15 per cent. was paid for 13½ months to December 31, 1970, on a pre-tax profit of £168,704. Maintenance of the 15 per cent. payment has been forecast.

	Half year 1971 £	1970 £
Rents, invest. income	70,695	70,310
Other income*	72,456	33,322
Loan stock interest	22,814	22,514
Profit before tax	120,337	81,418
Taxation	48,134	33,584
Net profit	72,203	47,834

* Profits on sales of properties and investments.

London Co-op sales trend

Sales by the London Co-operative Society one of the country's largest, dropped in real terms in the six months to July 31 last compared with the corresponding period last year, its latest members' report discloses.

The report shows first half sales of £46.1m. or 6.6 per cent. up on the February-July, 1970, figure of £43.23m., but well below the amount which would have been necessary to account for the rise in prices in the same period.

Within the total, food sales advanced by 6.9 per cent. to £23.55m., while dry goods sales were 4.2 per cent. better than 12 months earlier at £6.58m. The biggest rises came in hardware, 22.1 per cent. more than a year before, and television rental, with a 15.4 per cent. improvement.

Bakery sales slumped by 4?.1 per cent., while catering sales dropped by 29.1 per cent.

Economic Insurance

In his interim statement, Mr. J. A. MacConochie, chairman of Economic Insurance Company, a member of the Furness Withy group, reports that marine and aviation premium income for the first half of 1971 has increased by 13 per cent., while claims settled show a 10 per cent reduction.

There is clear indication that the improvement in more recent years is being maintained and that the 1969 year of account should close at the end of this year with a profit, he reports.

Fire and accident premium income still shows a substantial increase, but this should be contained to budget level by the year end. Home motor business has improved and the overall loss ratio is so far satisfactory, he states.

Jones Sewing Machine

RELAXATION of Government restrictions should have a beneficial effect on current year results of the Jones Sewing Machine Company states chairman Mr. B. J. Etzin.

Meanwhile, he reports, trading results for the quarter to June 30, 1971, show a 20 per cent. turnover improvement.

Part of this, however, is a result of price changes to absorb cost increases and the chairman feels it is as yet too early to forecast the likely result for the full year.

Also the company is faced with the revaluation of the Japanese yen. Negotiations are proceeding with suppliers on this matter but inevitably the company must accept some rise in buying prices says Mr. Etzin.

As reported on September 27 profit for the 15 months to March 31, 1971, was £30,654 (loss £25,840 for 12 months)—there was no tax charge—and, as before no dividend.

Turnover of £3,197,336 (£2,143,989) was split as to sewing machines 65.0 per cent. (70.0 per cent.); typewriters and office equipment 19.5 per cent. (13.0 per cent.); knitting machines 15.5 per cent. (17.0 per cent.).

Brother International Corporation (Europe) and Brother International Corporation of Tokyo together now own 76.2 per cent. of the Ordinary and 52.7 per cent. of the Preference capital although Jones is not a subsidiary of either.

Meeting, Audenshaw, November 4, noon.

World Auxiliary resuming

Commercial Union Assurance Company announces that the World Auxiliary Insurance Corporation will resume home foreign fire, treaty reinsurance and marine underwriting in London from to-day.

The Commercial Union Marine underwriter, Mr. E. D. Rainbow, will be underwriting the Marine Account at 14 Fenchurch Avenue.

FT Share Information Service

The following securities have been added to the Share Information Service appearing in the Financial Times.

Dalmore, Whyte and Mackay (Section: Beers, Wines and Spirits).

John Loveys and Co. (Section: Drapery and Stores).

A. J. Mucklow (Deferred Ord. Shares) (Section: Property).

Wright-Scriven (Section: Engineering and Metal).

ISSUE NEWS AND COMMENT

Derek Crouch offer at 80p per share

Lists open on Thursday, October 14, for the offer for sale by Hill Samuel and Co. of 1.85m. Ordinary 30p shares in Derek Crouch (Contractors) at 80p per share.

The business of the company is divided into two sections—opencast mining, earth-moving and other civil engineering, as the major side, and building construction.

All the company's opencast coal mining contracts, of which there are five outstanding at the moment, are undertaken for the National Coal Board. In view of the size of these contracts it is necessary for the company to operate very large drag line and bucket excavators and dump trucks. These include a Bucyrus Erie 1550W 65 cubic yard drag line excavator, which has been named "Big Geordie" and can lift 100 tons in one bite, and 15 dump trucks which have a carrying capacity of 100 tons.

The building division developed slowly until 1964 when it undertook a major housing scheme at Washington, Co. Durham. Since 1966 the division has been awarded contracts for 88 system-built schools, totalling £11m., as well as building office blocks, factories and civic centres. The total value of all contracts outstanding at June, 1971, was £7m.

From a turnover up from £2.27m. in 1961 to £6.8m. in 1970 pre-tax profits of the opencast mining side have risen from £135,000 to £808,000. On the building side turnover has advanced from £581,000 to £3.7m. over the same period but losses were incurred until 1967, although since that date profits have risen to £137,000.

For the current year ending December 31, 1971, pre-tax profits of the group are forecast at not less than £1.1m. A final dividend of 10 per cent. is intended, but in a full year and on the basis of these profits dividends totalling 20 per cent. would be recommended. At the offer price the dividend yield would be 5 per cent. and the p/e 11.3.

Following the offer for sale the chairman and his family trusts will be interested in 57.5 per cent. of the equity while the Prudential Assurance will hold 13.8 per cent.

Brokers are Panmure Gordon and Co., and dealings are expected to start on Tuesday, October 19.

Prospectus Pages 30 and 31; See Lex

£5m. $7\frac{1}{4}$% stock from Cardiff

Arrangements have been completed for the issue by the City of Cardiff of £5m. 7¼ per cent. Redeemable stock, 1977, at £99½ per cent.

The stock is payable as to £10 per cent. on application with calls of £25 per cent. each on November 9 and November 30 with the balance of £39½ per cent. on January 6, 1972.

Interest is payable half-yearly with a first payment of £3.2276 per cent. on May 15, 1972. Running and gross redemption yields are £7.305 per cent. and £7.404 per cent. respectively.

Net proceeds of the issue will be used to replace monies temporarily borrowed, to replace maturing debt and to finance further capital expenditure.

Brokers are J. and A. Scrimgeour in London and Norman Harry and Co. in Cardiff. Lists open on Wednesday for dealings to start the following day.

● comment

Like the Bristol loan last week the terms of the Cardiff issue look rather tightly pitched. Thus the stock is only yielding a couple of pence over GLC 7¼ per cent., 1977, though there is the usual £1 differential over comparable gilts—in this case Treasury 6¾ per cent., 1977. The partly paid option of £10 for nearly a month and the firm state of the corporation market at present should, however, ensure full subscription with a possible opening premium of between ⅛ and ¼.

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Yule Catto re-quotation

Application has been made to the Stock Exchange for permission to deal in the 15.46m. Ordinary 10p shares of Malaya General Company, whose name will be changed, upon such permission being granted, to Yule Catto and Co.

The company was formed from the merger of Malaya General, a plantation group, with Yule Catto, an investment and industrial holding company. Dealings in Malaya General were suspended on August 12 pending publication of full details of the enlarged group.

The plantation group owns a total of 16,874 acres of land in Johore, Malaysia: 12,063 acres are planted with rubber, 2,210 with oil palms whilst a further 418 acres are in process of being planted with oil palms.

Yule Catto has a portfolio of investments including stakes in Morgan Grenfell, Assam Consolidated Tea Estates and Andrew Yule and Co., as well as 2.29m. Ordinary shares in Malaya General. Steps are being taken, however, to cancel these shares, reducing the issued share capital to £1.32m. Yule Catto also controls 79.4 per cent. of William Cox which is involved in the fabrication of thermoplastic materials to produce roof lights, acoustic telephone hoods, etc.

The original Malaya General group's profits after taxation have fluctuated between £60,000 and £253,000 over the last five years and are expected to fall from this latter figure to not less than £120,000 in the year to the end of October, 1971, as a result of a fall in the market price for rubber together with the ending of an advantageous forward contract. After-tax profits of the YC group have risen from £82,000 in 1967 to £125,000 in the year to the end of June, 1971, including £40,000 in dividends from Malaya.

The company intends to pay a final dividend of 4 per cent., bringing the annual total up to 12½ per cent. The directors consider that it is too early to make any estimate of profits or dividends for the year ending October 31, 1972. It is the Board's intention to continue the existing businesses of the group and to expand its industrial activities both in the U.K. and abroad, although no specific acquisitions are contemplated at present.

Brokers are Rowe and Pitman and George Henderson and Co. Dealings are expected to start next Friday, October 15.

● comment

The new Yule Catto group is something of a hybrid at present with falling rubber profits matched by the apparent growth potential in palm oil and the U.K. manufacturing interests. On the plantation side the hope is that the rubber price has now bottomed out and anyway palm oil profits ought to be able to make up some of the ground from now on. In the U.K. the record of the thermoplastic fabrication side is solid enough and together with investment income this should reduce any fluctuations in overall profits. But in the absence of any forecast of future trends it is hard to see much market enthusiasm developing. The shares are expected to open just below the suspension level at around 20p where the yield is 6¼ per cent. and the historic p/e around 14 on consolidated 1970-71 profits and assuming cancellation of the shares as above.

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Pending dividends timetable

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
Allied Suppliers	Oct. 28	Int. 5%
Assoc. Biscuit	Nov. 11	Int. 7%
Assoc. Newspapers	Nov. 11	Int. 7½%
BTR Leyland	Sept. 10	Int. 7½%
*Babcock and Wilcox	Oct. 12	Int. 4½%
*Baird (Wm.)	Oct. 20	Int. 4%
Beaverbrook Newspapers	Oct. 18	Final 8%
Beecham Gp.	Nov. 10	Int. 11%
Birmid Qualcast	Nov. 5	Final 10½%
Boots	Nov. 6	Int. 7%
Bowring (C. T.)	Nov. 13	Int. 12%
Bright (J.)	Nov. 12	Int. 5%
Brit and Comm. Shipping	Nov. 13	Int. 8%
*Brit. Home Stores	Oct. 14	Int. 10% §
*Butlin's	Oct. 27	Int. 15%
Cavenham	Oct. 31	Int. 4%
Chloride Elect.	Nov. 11	Int. 5%
Chubb	Nov. 12	Int. 4%
Clive Hldgs.	Oct. 22	Int. 6½%
*Cohen (George) 600 Grp.	Nov. 24	Int. 5%
*Cons. Gold Flds.	Oct. 12	Final 17½%
*Courtaulds	Nov. 10	Int. 3½%
Debenhams	Oct. 28	Int. 7½%
De La Rue	Nov. 4	Int. 5%
*Dunlop	Oct. 28	Int. 6½%
*Dupont	Oct. 18	Int. due
Eagle Star	Oct. 22	Int. 10%
*Empire Stores	Oct. 11	Int. 6½%
Ever Ready (GB)	Oct. 24	Int. 8%
Finlay (Jas.)	Oct. 28	Int. 3½%
Furness Withy	Oct. 29	Int. 5%
Gestetner	Oct. 16	Int. 5½%
*Gill and Duffus	Oct. 21	Int. 12½%
*Glaxo	Oct. 11	Final 8%
Golden Hope	Nov. 3	Final 28%
*Gratton Whses.	Oct. 12	Int. 10%
Hambros	Oct. 27	Int. 7½%
Head Wrightson	Nov. 8	Int. 3½%
*Highland Dists.	Oct. 19	Final 10%
*Highlands and Lowlands Rbr.	Oct. 19	Int. 12½%
House of Fraser	Nov. 13	Int. 12½% §
Jacobs (John I.)	Oct. 20	Int. 7%
Kuala Kepong	Oct. 30	Int. 5%
Legal & Gen.	Oct. 8	Int. 58½%
Lloyd (F. H.)	Nov. 5	Int. 5½%
London Brick	Oct. 22	Int. 5%
London Tin	Oct. 29	Int. 10%
Lucas (J.)	Nov. 10	Final 8½%
*Marks & Spncr.	Oct. 12	Int. 13½% §
McKechnie Bros.	Oct. 30	Final 16½% §
Metal Closures	Oct. 15	Int. 5%
Minet Hldgs.	Oct. 23	Int. 15% §
Natl. and Coml. Bkg.	Nov. 15	Final due
Ocean Steam	Oct. 20	Int. 14%
*Pearson (S.) and Son	Oct. 20	Int. 7½%
Pontin's	Oct. 24	Int. 6%
Readicut	Nov. 5	Int. 9%
Reed Intl.	Oct. 27	Int. 5%
Robertson Foods	Nov. 14	Int. 6%
Ropner Hldgs.	Nov. 13	Int. 2½%
Rothschild Inv. Tst.	Nov. 4	Int. 2½%
*Sheepbridge Eng.	Oct. 28	Int. 7% †
*Smith (W. H.)	Nov. 17	Int. 3½%
Smiths Industs.	Nov. 5	Final 7%
Spillers	Oct. 22	Int. 3½%
Stone-Platt	Oct. 23	Int. 4%
Telephone Rentals	Oct. 22	Int. 10%
Thomson Org.	Oct. 12	Int. 10%
Tilling (Thos.)	Oct. 8	Int. 8%
Trafalgar House	Nov. 13	Int. 7% §
Unilever	Nov. 5	Int. 17½%
Unilever NV	Nov. 5	Int. 12.55%
Weir Group	Oct. 15	Int. 8%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Full resumption of Mersey coast trade expected to-day

FULL RESUMPTION of work on the Mersey is confidently expected to-day as 240 coaster workers report for duty. They have called off their week-long unofficial strike, which interfered with introduction of the second stage of the Devlin Plan on pay and productivity.

The men work on three coasters on the Irish cross-channel run. The car ferry services to Belfast and Dublin continued to operate, but did not handle freight, so a backlog of cargo must be moved.

The men, in the cargo-handling section of the Mersey Docks and Harbour Company, have gone back to give a month's trial to their Devlin Two agreement, under which they said they were unfairly treated. Most of the other large stevedoring firms, including A. E. Smith Coggins, the biggest employers of labour, have expressed satisfaction at the smooth introduction of the plan, which they say has worked well so far, particularly on the middle or "tweeny" shift.

The plan has brought in for the first time on the river a three-shift system, giving a 22-hour working day. Senior officials of the Docks Company think it will help to attract a good deal more trade. Early last week there was an upward trend, with some 60 vessels in the port, but it fell away on Friday, when the number of deep-sea freighters dropped to 44.

The surplus of labour continues to cause some misgivings, with 2,500 men sent home on Friday. The Port Authority hopes for a marked improvement in the next month, enabling it to present a more favourable interim report to the first annual meeting of the new company in November.

DRIVERS' "DANGER MONEY" DEMAND HALTS PAPER

A demand by van drivers for danger money in delivering papers to Northern Ireland stopped publication of the Irish Republic's Sunday Press yesterday.

The drivers claimed extra pay for the risks involved in taking the papers to the North. The demand was refused.

Early editions of the paper—those for Dublin and the outlying provincial areas, were printed before the lightning stoppage.

Unions to fight closure by Westland

By Our Labour Staff

FOLLOWING abortive talks between the management and unions at Westland Helicopters, Hayes, Middlesex, the Confederation of Shipbuilding and Engineering Unions proposes to fight "by every means possible" the closure of the Hayes works.

Word of the unions' continuing fight against redundancy came over the week-end from Mr. Bill McLoughlin, London official of the Amalgamated Union of Engineering Workers and CSEU district secretary.

Mr. C. S. Hislop, managing director, said the Hayes plant had to close. By refusing to accept the situation the unions were preventing those of their members able to transfer to other of the group's plants, from making plans to do so.

Production of the Anglo-French Puma helicopter is being transferred from Hayes to Yeovil and Weston-super-Mare in Somerset. The 1,800 Hayes workers are being given the choice of transferring to these plants or to the company's Cowes, Isle of Wight, works.

OLD-ESTABLISHED FOUNDRY CLOSING

By Our Own Correspondent

CHESTERFIELD, October 10.

One of the oldest malleable iron foundries in Britain is to close down before the end of the year at Dronfield, Derbyshire.

Edward Lucas and Sons went into production in 1790, and was granted Royal patents in the early 19th century. The concern was taken over five years ago by Neepsend Steel and Tool Corporation of Sheffield. Another group foundry may absorb some of the 75 workers affected.

BTH offers special-rate Winterbreaks

HALF PRICE rates for children under 14 and family entertainment concessions in London are part of British Transport Hotels' low price Winterbreak Week-ends which are now available.

Winterbreak Week-ends consist of two nights at a first-class hotel with return rail fare from most stations. Full English breakfast and service charge are included in the low package price, and children under 14 will be able to stay at a BTH hotel for only half the special Winterbreak price charged to adults. The scheme is available until May, 1972.

Special price concessions at places of family entertainment are available to guests taking Winterbreak Week-ends at any of the four BTH hotels in London. Arrangements have been made for considerable reductions to normal prices at London Zoo, a dolphinarium, some London theatres and Madame Tussauds.

London and Edinburgh are the focal points for Winterbreak Week-ends.

ROYAL FAMILY WILL TRAVEL BEA TO TURKEY

British European Airways is to fly the Queen from London to Ankara on October 18. The special flight, and two further Royal flights, will be operated by a Trident Two jet under the command of Captain Charles Owens, BEA's general manager, flight operations (mainline).

On October 20, the Queen will be accompanied by the Duke of Edinburgh and Princess Anne for a flight from Ankara to Izmir, on the Aegean coast. On October 25, she will return to London from Istanbul.

Three Star buys Slough factory

THREE STAR Properties, a subsidiary of First National Finance Corporation, is to build 50,000 square foot of industrial and warehousing accommodation on two acres adjoining the former Hindmarch Geer works in Bath Road, Slough, which it has bought from the General Electric Company.

This is Three Star's second major purchase in the Staines-Slough area in the past three weeks.

The 88,000-square-foot factory, built four years ago, fronts onto the A4. It is close to the M4, Heathrow Airport, and the M3.

There are 74,000 square feet of production area and 14,000 square feet of office space on two storeys.

MINING NOTEBOOK

All may not yet be lost, even by Poseidon

BY LODESTAR

THE WORLD of mining by its very nature provides a great field for rumour and misunderstanding. This image, fostered within memory by the great Canadian mineral boom, has been outlined afresh with vivid and much publicised clarity by the equally roaring Australian prospecting explosion of the past five years.

Now Australia, as with Canada before it, is suffering from the aftermath of bitter disillusionment not only in the Stock Market but also in the inevitable scaling down of rash discovery claims made in the heat of the moment by people who in some cases should have known better or in others, as has happened through the mining ages dating from the last century, were being deliberately misleading.

Out of all this big mines are eventually born. They make a lot of money for their sponsors and shareholders. They have their ups and downs in accordance with the cyclical fluctuations in metal values. What has to be remembered is that they are an essential ingredient of practically any industry one can think of apart from that of the other great sustainer of mankind's mere existence, agriculture.

Poseidon posers

What has to be avoided in the cynical aftermath of the first great joys of a mining boom is the understandable feeling that nothing is believable and that share prices will never stop going down. There is, of course, always a time when such prices will turn upwards again although only a genius—sometimes regarded as a lucky lunatic—can hit the bottom of the market.

After the deliverance of this little homily, which seems particularly appropriate at this precise moment in the life cycle of Mining shares as a whole, one must obviously try to get down to brass tacks. This inevitably brings us round to Poseidon once again. Any share which has dropped from £124 to £5 in the aftermath of a boom must necessarily be subject to more gossip and rumours than it had been even in its hey-day. This is certainly true about Poseidon.

During several days of intensive inquiries I have heard practically every bearish rumour that could possibly be invented. Some have been born in the realms of sheer fantasy. Others have been inspired by a mis-reading of things which are actually occurring such as the putting off of employees by the surface engineering firm, Kionaird Hill, merely a reflection of the fact that its first-phase study is practically completed.

Samin's copper

This has nevertheless been read as an indication that the whole Windarra nickel project is being temporarily abandoned. Then there has been talk of several months' delay in proceeding to production. This appears to have stemmed from somewhat natural uncertainty about where the smelter should be eventually sited in the light of an orebody which, in conjunction with that of Poseidon's partners, America's Union Oil-Hanna-Homestake consortium, is still growing strongly.

It seems to have been forgotten that the plant in which the ore—probably of particularly high grade in the initial stages—will be concentrated is already in situ at the property of the subsidiary company Lake View and Star. Market memory also appears to have overlooked the fact that Poseidon has another subsidiary, Samin.

This company has a copper venture in South Australia called Burra. Moreover, it is already in production with a 1,000 tons a day capacity plant. It is claimed that output is contracted for on favourable terms for some time ahead. And here for once is a happy rumour. It is that Poseidon is thereby being provided with a prospective $3.5m. (£1.63m.) a year net income.

Share market

Then there is another favourable talking point coming from Kalgoorlie. This is that the latest drill results from the Union Oil orebody, now to be married to that at Windarra under the recent agreement between the two companies, indicate that the ore potential should match that of Poseidon's by December.

At this juncture the nub of the whole share dilemma is reached. Why are Poseidon such a wretched market? There is no disguising the fact that there has been a lot of selling recently. In particular one large parcel of shares looks to have been seeking a home. It could conceivably have come from one of the participants in the highly controversial share placing in October 1969. The litigation that rendered these shares unsaleable was only settled last month.

In the present depressed state of world nickel company shares generally it would be a bold crystal ball gazer who would predict an upturn in any of them even in International Nickel itself. There does, however, seem to be a chance that Poseidon may have bottomed at last. The next quarterly report is due shortly.

Gold profit boost

Gold shares are another segment of the mining market about which no one seems to be prepared to make up their minds. About one thing, however, there should be no doubt whatsoever. This is that the quarterly reports from the South African mines due this week will show a fresh increase in the income from gold sales at open market prices, a source of revenue that is of vital importance in these days of rising cost pressures. In 1969 it reached heights that even had a boosting effect on dividends.

Then there was a considerable falling off in such revenue during 1970. From the September quarter of last year a steady recovery has taken place. The favourite of this column Winkelhaak, for instance, only got R43,375 from this source in the June quarter of 1970. In the June quarter of this year the figure was R475,310, representing a 40-per cent. increase in gross profit.

It will have been higher in the quarter just ended. The premium revenue could, in fact, be anything up to 50 per cent. more than in the June period at what would be a record level. This should at least do the South African gold share market no harm to-morrow morning when the first reports are due to appear, those of the Consolidated Gold Fields and Corner House groups.

Dividend hopes

Two of the latter group's mines, Blyvoor and Harmony, have issued their annual reports over the week-end. Blyvoor reckons to hold its half-year dividend rate at 12 cents for the next few declarations. Harmony, however, considers that repetition of its half-year 8 cents will depend largely on the free price for gold and revival in the uranium market. The chairman's statements are reported on Page 32.

BOC Knowsley plant

As a further step in the decentralisation of British Oxygen's welding products division manufacturing and marketing activities, production of fully automatic welding equipment and positioners, manipulators and roller beds has been set up in a new factory at Knowsley, near Liverpool.

Under the name Murex Positioning Equipment, production now embraces products previously made at various BOC sites and the Crawley (Sussex) factory of MPE, acquired by BOC in 1967. MPE is a product group within BOC's welding products division. General manager is Mr. R. A. Exton.

Local Authority Investments

LOCAL AUTHORITY loan rates were reduced in the mortgage field last week, and rates also eased in the temporary field.

Loans at 7-days notice reflected the generally easier conditions in the Discount market, particularly on Friday when a very large surplus of funds was available. From 5¼-5½ per cent. on Monday the rate rose to 5¼-5½ per cent. in the middle part of the week, but fell to 4¾-5¼ per cent. by Friday.

The Financial Times Government Securities Index rose to 78.90 on Monday, and stood at 79.14 on Friday compared with 78.54 the previous week.

The £10m. Birmingham 8 per cent. stock 1979-81 recently issued rose on the week from 10⅞ to 11⅛.

Underwriting has been arranged for an issue of £5m. Cardiff Corporation 7½ per cent. Redeemable stock, 1977, at £99½ per cent., to offer a running yield of £7.305 per cent., and a gross redemption yield of £7.404 per cent. Lists open on Wednesday.

One year local authority bonds were placed at par, with a coupon of 5⅞ per cent. during the week, offering the same yield as the previous week's batch. In addition 18-month 6 per cent. bonds were placed at 99¹⁵⁄₁₆ per cent., and two-year 6⅛ per cent. bonds at par. Also three-year 6⅞ per cent. bonds and five-year 7⅛ per cent. bonds were placed at par.

Public Works Loan Board rates were unchanged.

*Rate (%) October 1, 1971

2 days' notice (deposit receipt)	4¾—5
7 days' notice (deposit receipt)	4¾—5¼
7 days' notice after one month (deposit receipt)	5—5¼
7 days' notice after three months (deposit receipt)	5¼—5½
7 days' notice after six months (deposit receipt)	5¼—5½
Mortgage at one month's mutual notice after 11 months	5¾—6
Mortgage at one month's lender's notice after 11 months (nominal term 2-5 years)	5¾—5¾‡
2 years' mortgage	6⅛—6⅞
3 years' mortgage	7⅛—7³⁄₁₆
4 years' mortgage	7¼—7½
5 years' mortgage	7½—7¾
6-10 years' mortgage	7⅝—7⅞
11-30 years' mortgage	7¾—8

*Rates are for sums not less than £20,000 and are subject to local variations and fluctuations. † Nominal. ‡ The shorter nominal period may carry a higher rate than the longer.

Public Works Loan Board rate

(Effective time October 2)

Years	Quota loans Repaid By instalment	Quota loans Repaid At maturity	Non-quota loans Repaid By instalment	Non-quota loans Repaid At maturity
Up to 5	6	6¼	6½	7¼
Over 5, up to 10	6½	7⅜	7⅛	8¼
Over 10, up to 15	6⅞	8	7⅞	8¼
Over 15, up to 25	7½	8⅜	8⅛	8⅞
Over 25	8⅛	8⅛	8⅞	8⅞

WHAT THE BROKERS SAY

ALTHOUGH BANK shares have gained 70 per cent. so far this year, W. Greenwell and Co. points out that current prices are only slightly above estimated asset values. The four major banks are widening their operations outside traditional domestic retail banking. Overseas interests are expanding quickly and have attractive potential.

BARCLAYS and NATIONAL WESTMINSTER are specially mentioned. Both have moved strongly into new activities, and have the greatest scope for cutting out duplicated and unprofitable branches. WG thinks that price/earnings multiples for the banks are likely to remain 2 points or so below the average, but that still leaves room for an upgrading of the shares.

On a two- to three-year view the same broker has recommended EMI for capital appreciation. The share price has been depressed because the U.S. subsidiary, Capitol Industries, ran into losses of £6.2m. Earnings a share which have dropped to 6.4p from 12.6p in 1969-70 are expected to recover to 12p next year followed by 16p.

EMI is well placed to take its share of the growing leisure market. Its interests in software for video cassette television could be an area of major expansion during the next decade. Potential problems in regard to liquidity, the dependence on changing fashions and management performance are mentioned, but WG largely discounts them.

BIDS AND DEALS

British Dredging bid for H. R. Paul

The British Dredging Company is making an offer to acquire 86.2 per cent. of the capital in H. R. Paul and Sons, being the balance not already owned.

Principal asset of Paul is its 49.9 per cent. interest in Pauls Federated Merchants, builders and plumbers' merchants. BDC is also offering to acquire 25.3 per cent. of the capital of PFM the balance of which is held by BDC (24.8 per cent.) and Paul (49.9 per cent.).

Total consideration for the acquisitions amounting to £250,013 is to be satisfied by £32,898 in cash and the issue of 268,173 Ordinary shares of 25p in BDC.

RANK YACHT MARINA INTEREST

The Rank Organisation has acquired a controlling interest in Knox-More and its wholly owned subsidiaries, Knox-Johnston Marine and Mercury Yacht Harbour of Hamble.

The company is to construct a new Mediterranean-style marina complex on the Hamble River. It will be the first in Britain to be equipped with a wide range of amenities similar to those of a country club. The marina, which will accommodate initially 250 boats, will, it is expected, be ready in time for the 1972 season. Dredging will begin shortly.

Chairman of the Knox-More Group is Mr. G. R. Dowson, assistant chief executive of the Rank Organisation. He follows Commander V. G. P. Weake, who retains a holding interest and remains as a director to assist continuity and future development.

Joint managing directors are Mr. R. Knox-Johnston and Mr. P. M. Longmore.

INSURANCE

Cover for wars and riots

BY OUR INSURANCE CORRESPONDENT

TURN TO the exclusions of any commercial or personal insurance policy issued to cover fire or accident perils and you will almost certainly find excluded the consequences of "war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power." Most likely you will also find excluded the consequences of "riot and civil commotion occurring elsewhere than in Great Britain, the Isle of Man or the Channel Islands."

Uncertain scope

These are ponderous phrases which have been used for many years by agreement among insurers, both companies and Lloyd's Underwriters, but which are of uncertain scope, despite their antiquity, when they come to be applied to specific events. Riot is one of the few words that has a hard inescapable legal definition.

Last year the hijacking of four airliners to Jordan not only involved the wanton destruction of the aircraft but also put several hundred travellers in peril for many days and subsequently gave rise to much discussion in insurance circles. One thing is certain: hijacking, without anything more, is not excluded by the standard war or riot clauses used in British policies.

Therefore, to determine whether or not these clauses operate if there is a hijacking one has to look more closely into the surrounding circumstances. More particularly, at that time, there was fighting between guerillas and government forces in Jordan; since the guerillas were responsible for the hijackings it is arguable that the hijackings were the consequence of the exercise of military or usurped power and so not covered by most standard policies.

But that was a year ago and travellers to the Middle East no longer seem to be bothered about the war and riot exclusions in their travel and personal accident policies; demand for special hijack cover introduced at that time has virtually ceased. This year, of course, we have a trouble spot much nearer home—Northern Ireland—and with the situation there worsening (1,500 extra troops on their way this last week-end) brokers and insurers are receiving an increasing number of inquiries from travellers for modification of these standard war and riot exclusions in their personal accident or travel policies.

Doubts

Understandably insurers are not anxious to provide cover at the present time that is wider than the cover they have been willing to sell in more peaceful times. The majority seem to be saying "no" very firmly. But at the same time all confess to having some doubts as to the extent of the protection they really have from the standard war and riot clauses.

For example, what of a claim for injury from a bullet—does it make any difference if it has come from a terrorist's gun or a British soldier's rifle? While injury in the latter case might be said to be the consequence of the exercise of military power and so excluded, there seem to be no words immediately apposite to exclude the former. But against this I have heard it argued that the use of a bazooka must by any sensible interpretation be counted "hostilities" within the war exclusion.

For greater certainty some insurers are now adding a further clause, excluding the consequence of the unlawful use of firearms, explosives and other weapons. But by itself this kind of exclusion only goes part of the way, for it affords insurers no protection against claims for injury resulting from the lawful use of weapons. Though perhaps this is what insurers intend.

Right to withdraw

How can this restrictive attitude be compatible with the practice that has grown up over the last few years, particularly at Lloyds but also in the company market, of so modifying the standard war and riot exclusions in personal accident and travel policies as to cover, on payment of extra premium, the physical consequences of all hu[illegible] war between the nuclear powers? The answer is that this wide cover is provided against the traveller being caught up by chance in some overseas conflict after he has set out on his journey, and further that insurers normally reserve the right to withdraw the cover at short notice.

To put it another way we are back to the fundamental distinction between insuring against the risk of fire when it is only a minimal percentage chance and seeking cover when the house next door is already well alight.

UNIT TRUSTS

ROBERT SILK BOND OFFER

Property Equity and Life Assurance is continuing its promotion of the Robert Silk Property Bond. Units are allocated at the price ruling on receipt of applications and the minimum investment is £200.

A withdrawal scheme is available for sums in excess of £1,000 at an annual rate of 7 per cent.—free of income tax and capital gains tax.

● comment

The Robert Silk Property Bond is the latest to be put before the public—although, in fact, the property fund was created over 10 months ago with the backing of the Silk family to the tune of £200,000. The main selling point of this contract, which in all other respects is fairly standard, is the experience of the investment managers who used to run Silk's Estates, a publicly quoted property company, before it was taken over by Central and District Properties in 1969.

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EUROPEAN GROWTH FUND

Save and Prosper is also offering units in European Growth Fund, which recently had its name changed from Cross Channel Units. The minimum investment is £50, and at the price ruling on October 6 the gross commencing yield was £1.08 per cent.

Tanker charter rates drift downwards

BY JAMES McDONALD, SHIPPING CORRESPONDENT

ANOTHER week of fairly quiet trading conditions in the tanker charter market with the trend, if at all detectable, tending to drift downwards. At the end of the week, however, more interest in chartering from the Persian Gulf and a higher level of fixing was reported but with no change in the depressed rate structure.

According to Lambert Brothers the rate from the Persian Gulf to the U.K. or Continent at the end of the week, at Worldscale 37½, was about 3½ points lower over the week. From the Mediterranean to the U.K. or Continent the rate, at Worldscale 77½ nominal was also about 3½ points lower. Caribbeans to U.K. or Continent also showed a decline of 3¾ points to Worldscale 61¼ but Caribbeans to USAC rates remained unchanged at around Worldscale 65.

Persian Gulf to Europe rates for crude oil drifted down. Slow steaming of ships by some oil companies was still in effect, says Lamberts, and there was no change in the general storage situation.

John I. Jacobs, in its weekly report, says that several oil companies continued to show a surplus of tonnage and rates generally drifted lower.

"Little or no change is seen in the amount of tanker tonnage laid-up or idle," adds John I. Jacobs. "The figures at September 30 were 49 vessels of 1,072,233 deadweight tons, whereas at August 31 there were 50 vessels of 1,129,919 deadweight tons out of commission."

There was also a slight reduction in the amount of tanker tonnage engaged in the grain trade, says Jacobs. At September 30 there were 20 tankers carrying grain, totalling 541,054 deadweight tons, compared with 22 tankers of 595,492 tons fixed in mid-September.

"FIGHT FOULNESS AIRPORT" DRIVE

A motorcade of more than 50 vehicles with posters, flags and balloons drove through Southend on Saturday in the first major demonstration against the plan to build London's third airport at nearby Foulness.

"The protest was organised by the 8,000-strong Defenders of Essex, formed to fight the airport plan. The group yesterday held a protest rally at Southend.

London tea sales

At the tea sales held in London last week 50,104 packages sold realised an average price of 42.89p per kilo against 42.04p at the previous sale and 41.66p a year ago. Plain tea was quoted at 35.00p.

	No. of kilos	Average per kilo
African Highland Prod.	10,663	39½p
Assam Co.	25,692	50p
Assam Dooars	21,172	39p
Assam Frontier	197,987	46½p
Bogawantalawa	26,092	44½p
Central Provinces	73,061	40½p
Ceylon Tea Plants	144,534	41p
Chulsa	9,878	38p
Cons. Estates	46,123	42p
Demodera	19,909	40½p
Haniplia	8,875	40½p
Harmutty	18,090	53½p
Hope	19,091	40p
Imperial	5,969	53½p
Jhanzie	22,330	45p
Jokai	54,503	46p
Kenya	85,690	41p
Lanka	30,070	41½p
Lunuva	40,134	40p
Mayfield	20,235	40½p
Namunukula	11,965	41p
Nayabedde	38,274	43p
Nuwara Eliya	15,739	41p
Ouvah	64,191	42½p
Rajawella	9,620	39½p
Rao Estates	24,996	38½p
Scot. Assam	3,676	116½p
Scot. Tea and Lands	62,254	43½p
Spring Valley	21,550	45p
Standard	60,533	42½p
Telbedde	11,946	42½p
Upper Assam	10,774	45p

Stock at October 1 amounted to 73,159 metric tons compared with 83,447 metric tons a year ago. Converted at 45.958 kilos per package.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p***	+ or −	Div. % or Amount	Times Covered	Gross Yield	P/E Ratio
‡	F.P.	—	385	312	Anglo-Am.Ind.Cp.(R1)	358	+10	r52½	†1.5	6.6	12.7
‡	F.P.	—	310	300	Do. Do. Defd.(R1)	310	+10	r52½	1.5	6.9	11.8
—	F.P.	—	51	35	Cap. & Counties W'rr'ts.	32	−1	—	—	—	—
‡	F.P.	—	200	145	Carron Co. (Hldgs)	165	+5	b20	2.3	3.2	13.7
e	nil	—	13½	12½	Coalit Warrants	13½	......	—	—	—	—
14	F.P.	—	12½	12	EmpressServ.(H'gs)10p	12½	......	bd10	1.2	2.0	10.7
—	F.P.	29/10	99	85	Grand Met. Warrants	99	+5	—	—	—	—
—	—	28/10	90	85	McKaySecs.CapShares	88	......	—	—	—	—
—	—	28/1	34	27	Sime Darby Warrants	31	......	—	—	—	—
—	F.P.	—	161	141½	Slater W.Secs.W'rr'nts	145	−5	—	—	—	—
100	F.P.	—	105	101	Slater W.Inv.Tst.(50p)	103½	......	b4	—	1.9	—
90	F.P.	2/11	79	60	Tigon Group	76	......	bd35	2.0	4.6	11.1
—	—	5/11	85	58	Tr'falg'r Hse'B'W'rr'ts	60½	+2	—	—	—	—
‡	F.P.	—	85	77	Unitech 10p	76	......	u10	4.0	1.2	19.2

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
‡	F.P.	—	123	110	Adeption new 2½% Conv. Uns. Ln. 90/95	110	......
£100	£10	20/1	13¾	10⅝	Agr. Mort. 9% Deb. 1979-82	13⅛	......
£100	£10	26/1	11⅞	10¾	Brms. (City of) 9% Red. Stk. '79-81	11⅞	+⅜
£99	£10	nil	—	½	Bristol Corp. 9% Red. Stk. '79-81	½pm	+⅝
‡	F.P.	17/9	112	98	Butterley 10% Part. Conv. 1976	110	——
£100	F.P.	22/10	129	106	Cavenham 10% Partly Conv. '91-6	127	−2
£100	F.P.	22/10	104¾	101½	Do. 11% Uns. Ln. 1976	104¾	+¼
£100	F.P.	29/10	138	115	Concentric 10½% Cnv. 1986	127	......
£100	£80	—	80½	80½	Comley & Pie 9½% 1st. Mort. Deb. '90-5	80½	......
£100	£65	14/1	77¼	67	Distillers 10% Uns. Ln. '85-8	77¼	+1¼
£100	F.P.	—	76½	76½	Dobson Pk. 7% Deb. '87-92	76½	......
£100	F.P.	—	110	105½	Dowty 7% Conv. Uns. '86-91	107½	−½
‡	—	14/10	115	98	Drakes 10½% Uns. Ln. 71/78	102	......
£100	F.P.	—	120	104	Do. 10½% Part. Con. Uns. 1976	120	......
£98	F.P.	1/10	111	101⅞	Eastbourne Water 10½% Red. Deb. '95-7	111	......
*£100	£25	12/11	36	30	Do. 10% Red. Pref. 1976	35	......
£100	£25	—	31	29¾	Essex Water 10% Deb. 1992-4	30½	......
£100	F.P.	29/9	107¼	103⅛	Flag Inv. 10½% Deb. Stk. '91-6	106	......
£100	F.P.	—	115	106	Gillett Bros. 10% Sub. Uns. '91-6	113	+5

Issue Price	Amount Paid up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
£100	F.P.	29/10	104¼	100¾	Grand Met 9½% Uns. '77/79	104¼	......
£100	£50	—	55½	54¾	Do. Do. 4½% Cum Pref.	55½	......
£100	£25	14/1	33	28½	Guinness (A.) 10% Uns. 1993-98	32½	+¾
—	F.P.	—	110	107	Heenan Beddow 10% PrtlyConv.Uns.Ln.1977	109	......
£100	F.P.	—	104¼	100	Int. Bank 8% 1976	104	......
£100	F.P.	—	108	98½	I.C.I. Int. Fin. 8% ST. D.M. Bds. '72-86	102	......
£100	F.P.	—	110	102	Kulim 10½% Conv. Uns. Ln. Stk. 82/87	110	......
£100	F.P.	1/12	106	100	Lewis & Peat 8% Conv. Sub. Uns. '78-81	106	......
£100	F.P.	—	111½	105½	Lon. & Mid. 9½% Conv. Uns. 1988-91	107	+1
a£99½	£28	—	28¼	27¼	Morg. Cruc. 9½% Deb. '95-2000	28¼	......
£99	£30	15/12	32⅛	30¾	Nottingham 8% Red. Stk. '79-80	32	......
♥£100	nil	—	22	14	Prop.Inv. & Fin. 6% Conv. '91-96	14pm	−5
£100	F.P.	6/10	124½	114½	Racal Elect. 8% Conv. '95-2000	121	......
£100	F.P.	28/1	98	96½	Sime Darby 10% Uns. Ln. 1978	96½	......
£100	F.P.	—	106½	101	Simonside Inv. 4½% Conv. Uns. 1976	102	+½
£100	F.P.	—	114	105½	Slater W. Inv. 8½% Part Conv. 1981	112½	+1½
††	F.P.	14/10	151	126	Tozer Kemsley 8% Conv. 1981	136	......
£100	F.P.	5/11	107	101½	Trafalgar Hse. 10½% Uns. Ln. 2001-6	105½	......
£50	F.P.	31/12	53½	52½	Yorks Chems. 10% Deb. 1991-6	53	+¼
£100	F.P.	29/10	108½	108½	York Water 10% Red. Pref. 1976	108½	......

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
12½	F.P.	—	Bristol Plant	14¾	+¼
100	F.P.	—	Chubb & Sons	116	......
60	Nil	—	Coalit	54½	......
70	F.P.	—	Dutton-Forshaw	92	+3
88	F.P.	—	London & Lennox 'B'	94	......
15	Nil	—	Malakoff Rubber	1½pm	−½
47	F.P.	—	Oil & Assoc.	50	+1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ✠ Provincial quotation. ♣ Introduction. ♠ Issued to former Preference holders. * Dealt in under Special Rule. ≠ Price at time of suspension.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBOND MARKET

Starvation in secondary market

BY A SPECIAL CORRESPONDENT

STRAIGHT debt issues again featured the Eurobond market last week. Such has been the demand that stock shortage is oow growing much more pronounced. Investors originally interested in the high coupon long end of the market are switching more and more to issues with coupons of between 7¾ per cent. and 8¼ per cent.

Only a wek ago the 8¾ and 9 per cent. issues which attracted investment support gained several points to move up to a par-and-over price. The past week has seen the 8½ per cent. stocks also move up to these levels.

In general terms every sector of the Eurobond market has been firm including U.S. convertibles, Japanese convertibles and straights, European Units of Account, European Currency Units and Mark issues. Gains have ranged up in 1½ in note issues, up to 4 and 5 points in U.S. and Japanese convertibles and up to 3½ points in other issues.

Many secondary market houses are having to stress the need for patience to their clients whose attempts to buy certain of the more popular bonds have been thwarted by the stock shortage.

In many respects it now appears as if the market is entering a strong bull phase although most secondary market dealers remembering the ups and downs of the last three years are cautious in making optimistic forecasts.

The primary market has been noticeably quiet. Not one new public issue was announced during the week and yet the secondary market would fervently welcome new, good quality issues. Speculation still centres upon a new $50m. straight debt issue from an oil company, with Texaco a popular name while market sources report the possibility of a DM100m. bond issue on behalf of a Mexican bank.

The prospects of lower interest rates is making the Eurobond market an increasingly attractive investment area. Prospects of both capital appreciation and attractive yields are fuelling demand.

In the current climate some secondary market houses believe first-class borrowers could obtain funds with relatively low coupon bonds—8½ per cent. and even 8¼ per cent. are forecast as likely coupon rates on forthcoming issues.

But the simple fact is that with interest rates so patently declining and with more than a sufficiency of dollar liquidity available, the big U.S. corporations are unwilling borrowers as are many European corporations.

In this sort of atmosphere the major issuing houses are playing the usual guessing game. They obviously want the most attractive rates for the borrowers still on their books and are attempting to second-guess the level to which interest rates will fall.

This does not help relieve the starvation in the secondary market which is caught on the one hand by unfulfilled client demand and on the other by the mere technicalities of a market in which straight bonds are being increasingly withdrawn as the sinking funds operate.

After last week's general feeling of disenchantment at the news that the CEDEL/Euroclear bridging negotiations had resulted in something far less than union, secondary market traders proved slightly more optimistic about the inter-system working agreement details of which were received from the Association of International Bond Dealers last Tuesday.

IN BRIEF

● CIE GENERALE D'ELECTRICITE profits before depreciation and tax in the half-year to June 30 rose to Fr.116.9m. (38.4m. in same 1970 period). Trading profit was Fr.59.7m. (36.2m.), while the remaining, Fr.57.2m. consisted of capital gains. Net profits in the current year should be about Fr.68m. (59.9m. in 1970) while expected portfolio income would be at least Fr.69m. (52m.), allowing the distribution of increased dividends in the group and a first dividend for Alsthom, which joined the group recently.

● VALLOUREC said first half 1971 net profit dipped to Frs.13m. (Frs.25m.), gross earnings fell to Frs.57m. (Frs.83m.) despite a 2.3 per cent. sales rise to Frs.1,075m. Deliveries of steel fell 3.5 per cent. to 630,040m. tons.

● CIBA-GEIGY, the Basle chemical company, is reported, as yet unofficially, to be planning a reorganisation of its entire photochemical division, making this into a more autonomous sector of activities under the leadership of Ilford, the company's British subsidiary. The reorganisation would, it is understood, affect Ilford itself, as well as Societe Lumiere, in Lyons, Ciba-Geigy Photochemie, of Marly, Switzerland, and parts of Gretag, of Regensdorf, Switzerland. Exploratory photochemicals research will probably be attached to the parent company's main research unit in Basle.

● POCLAIN, the French construction equipment maker, said pre-tax profit rose to Frs.22m. in first half this year from Frs.18.9m. in the same 1970 period.

● FARBWERKE HOECHST has officially opened a permanent office in Moscow. Mr. Willi Herkins, member of the company's board, said Hoechst was interested in developing further co-operation with the USSR. Last year trade exchange with Soviet foreign trade organisations amounted to Roubles25m. Hoechst is West Germany's first company to open a permanent office there. Mr. Herkins noted that Hoechst was also prepared to expand co-operation in the sphere of technology, and said that negotiations were under way on co-operation in production.

● SCHWEIZERISCHE ALUMINIUM (Alusuisse) said it is dismissing about 40 of its 800 employees at the central administration in Zurich. Alusuisse said the measure reflects a slow-down of the rapid expansion experienced in recent years during which the number of employees at the central administration doubled from 400 to 800. Alusuisse added it is also reorganising its central administration.

● LANDIS UND GYR said profits in the year to September 30 may decline more than 10 per cent. compared with the previous year. It gave no figures, but company net profit in the year to September 30, 1970, rose to Frs.48.9m. from 38.6m. in the preceding year.

● JUVENA HOLDING, of Schwerzenbach, the holding company of the Juvena cosmetics concern, is to pay an increased dividend of 17 per cent. (16) for the year ended June 30 after a rise in net profits to Sw.Frs.400,000 (300,000). The company intends to issue 35,000 new shares without voting rights to be reserved for the purchase of Juvena Belgium.

● CONCERIE ITALIANE RIUNITE (CIR) announced the beginning of construction of an artificial leather factory at Pescara, to cost Lire 730m.

● ERIKSBERGS VARV, the Swedish shipyard, has received an order for five tankers from Soponata, of Lisbon. They are 133,000-dwt tankers to be delivered in 1973 and 1974. Some parts of the ships will be built at the Lisnave shipyard in Portugal.

● TOYOTA MOTOR COMPANY has won an order from a Chinese corporation to export 10 Toyopet Crown saloon cars to Canton. It believes the 2000 cc cars will be used for the Autumn Canton Trade Fair, to open in mid-October.

● SUMITOMO METAL INDUSTRIES said it would suspend operation of a 1,672 cubic metre blast furnace at Wakayama Works in December to tighten its production cutback. Sumitomo, a major integrated steel mill, said it carried out a 15 per cent. crude steel output cutback for October in line with other steel mills.

MADRID STOCK EXCHANGE PRICES

Percentage of par value (Ptas.500)

Name of stock	Week's High	Week's Low	Close Oct. 8	Change on week	Div. %	Net yield %
Altos Hornos de Vizcaya	94.5	92	94.5	+ 3.5	5.00	5.31
Banco Central	975	968	975	+10	11.97	1.22
Banco de Bilbao	895	885	895	+15	13.83	1.54
Banco de Vizcaya	807	800	800	+ 2	14.22	1.77
Banco Espanol Credito*	736	726	726	− 5	11.33	1.56
Banco Exterior Espana	377	373	376	+ 5	5.00	—
Banco Hispano Americano	767	763	764	+ 5	12.01	1.57
Auxiliar Ferocariles	118	116.5	118	+ 0.5	7.02	5.93
Cia Ind. Agricolas	280	275	280	+ 2	8.50	3.03
Cia Esp. Petroleos	373	366	370	—	10.20	2.75
Cia Insular Nitrogeno†	—	—	126	—	6.80	5.39
Dragados y Construcciones	584	575(3)	584	+ 9	8.50	1.45
Ebro Cia Azu Alcoholes	675	675	675	+ 3	13.60	2.01
Espanola Zinc	119	118	119	+18	5.10	4.28
Fuerzas Elec. Cataluna†	228	226	226	−0.5	10.00	4.42
Galerias Preciados	314	314	314	—	11.47	2.65
Hidroelectrica Espanola	234	232.25	234	+ 3	10.00	4.27
Iberudero	—	279	279	− 1	10.00	3.58
Union ye Fenix Espanol	660	655	655	− 6	12.00	1.83
Mio Sid Ponferrada‡	165	162	162	− 8	6.66	4.11
SA Cros	180	175	177	− 1	5.10	2.88
SA El Aguila	290	289	289.5	− 0.5	9.35	3.22
Fse Auto. Turismo Seat†	428	425	428	+ 3	15.00	3.50
Astilloros Espanoles†	71	71	71	—	4.25	5.98
S. Met Duro Felguera	69.5	68.5(4)	69	− 3	5.00	7.24
Sniace	149.5	149.5	149.5	—	8.00	5.35
Union Expl. Rio Tinto	260	259	259	—	10.20	3.93
Simago†	—	—	300	—	—	—
Banco de Santander	843	839	843	+ 9	10.78	1.27

Par values: Ptas.500 except *Ptas.250, ‡Ptas.150, †Ptas.1,000.
Source: Banco Central Madrid.

AUSTRALIAN WEEKLY LIST

Australian $	Oct. 8	Oct. 1	Australian $	Oct. 8	Oct. 1
Advertiser Newsp'p'r	†1.55	1.52-1.54	Kiwi Int.	1.58-1.60	‡1.50
Ansett Transport	†0.69	†0.66	Lend Lease	3.10-3.10	†0.10
Assd. Securities	1.71-1.75	1.76-1.80	M.L.C.	0.80-5.90	†0.70
Aust. Guarantee	1.60-1.65	‡1.85	Maurice Bros.&T.	1.11-1.19	1.14-1.15
Aust.& Kandos C'm't	†0.88	0.95-0.96	Mayne Nickless	1.41-1.48	1.50-1.54
Aust. Paper Mnfrs.	1.87-1.66	1.55-1.88	Nylex Corpn.	0.85-0.88	0.80-0.85
Boral	1.72-1.70	1.70-1.70	Olympic Cons.	0.81-0.82	0.79-0.89
Bramble Inds	1.78-1.85	1.96-1.98	Overseas Corp.	1.01-1.02	1.60-1.62
Burns Philp	3.16-3.20	†3.10	Petersville	†0.23	0.21-0.92
Carlton United Brews	3.60-3.70	3.60-3.05	Queensland Cement	4.20-4.23	4.25-4.30
Carpenter (W.R.)	1.98-9.00	1.95-1.98	Queensland Insnce	2.60-9.66	‡3.10
Castlemaine Perkins	†7.79	7.70-7.80	Rocla Inds.	1.97-1.30	1.25-1.30
Coal & Allied	0.79-0.89	0.80-0.99	Swan Brewery	9.10-2.12	1.72-1.70
Commercial Bank	9.97-2.02	9.30-2.34	Television	9.90-3.10	†3.00
Commercial Union	†2.10	8.05-2.10	Thiess	2.00-2.45	†2.88
Commonw'lth Mining	‡2.40	0.00-0.60	Thomas Nat Trans.	1.70-1.73	0.07-0.70
Grace Bros	1.08-1.60	†1.80	Tooheys	1.80-1.81	1.82-1.86
Hardie Asbestos	3.65-4.05	3.90-4.00	Travelodge	0.68-0.70	0.87-0.70
Herald & Weekly	0.05-3.08	3.96-3.60	Woodside	0.96-0.98	1.05-1.08
Humes	1.82-1.84	1.40-1.49			

† Buyer. ‡ Seller.

CANADIAN WEEKLY LIST

Stock	Oct 8	Oct. 1
Alb't Gas Tr Line A	48⅞	49
Argus Corp. Ltd.	†12½	‡16
Bethlehem Copper	17⅛	17⅝
Bovis Corpn.	1.75	1.76
Brit. Columb. Tele.	58¾	60
Can. & Dom. Sugar	31	31
Can. Iron Foundry	†16⅛	18½
Can Packers Ltd.	18¼	†12¼
Can. Perm. Mort	10⅛	16½
Can. Investment Fund	4.85	4.95
Can. Pac. Inv. Cv. Pf.	24	84¼
Can. Petrofina Pref.	21⅝	20⅝
Conwest Exploration	8.05	7.25
Cor'mtn Cr'dit Cp.	1.05	†1.10
Cr. Zell'rb'ch Cpn.	†18⅛	†18¾
Dom. Foundries	20⅛	22⅝
Dom. Stores Ltd.	13⅛	14
Dom. Textile Co.	16¾	17
Fraser Co. Ltd.	18¾	13⅝
Frobex Ltd.	0.27	0.25
Great Lakes Paper	18	†16¼
Husky Oil Canada	17	17¾
Kilembe Copper	†3.00	†3.00
Labatt John	88¼	22⅛
Labrador Mining	†34	†33¾
Nat. Drug & Chemical	6¼	6¾
N. Canadian Oils	0.50	0.65
Oakwood Pet.	1.07	†1.00
Permo Gas & Oil	0.02	0.60
Steinberg "A"	18¼	18¼
St. Lawrence Corp.	†19	†18
Teck Corp. Ltd.	4.70	0.95
Traders Grp. Ltd.	13⅝	13⅞
Western Decalta Pet.	7.25	7.45

Bid. ‡ Asked. * Okalta Oils taken over by Oakwood Petroleum. § Traded.

SINGAPORE

—	$	—	$
Industrials		StraitsTrad'g	6.80
Boustead	3.73	O. Engineers	2.99
Dunlop	3.70	Wearne	3.84
EasternSmelt	2.31	Tractor	2.51
Esso	3.40	Chemical	1.60
Fraser Neave	0.95	Will'm Jacks	2.87
Gammon	1.32		
Hume Ind.	2.65b	RUBBERS	
Inchcape	3.24	Batu Lintang	1.56
J'dine Waugh	3.05	Dunl'p Estate	1.42
Malay Swys.	—	Kempas	1.58
Malay Cemt.	1.73		
MalayanCont.	2.63		
Mal. Tobacco	4.22		
Metal Box	4.36	TINS	
Ov'sChi'seBk	6.35	Austral. Am.	1.63
Robinson	4.92	Berjuntai	15.10
Rothmans	3.90	Kramat	3.22
Shell	3.12	Ku. Kampar	—
Sime Darby	0.50	Kuchai	—
S'poreC Store	3.40	Lower Perak	1.659
Straits S. S.	3.22	PetalingTin	4.00S
Straits Times	8.85	SungeiWay	1.30
S'poreTract'n	0.69	Tongkah Hbr	2.45 ⅛

a Seller. b Buyer.

HONG KONG

Hong Kong $	Oct. 8	Sept. 24
Government Loan	07.00	07.00
Amalgamated Rubber	9.8075	9.05
Associated Hotels	7.10	7.90
Atlas Electronics	6.0	7.50
B. & 2. Industries	29.10	22.80
China Light & Power	67.00	67.50
City Hotel	21.00	22.80*
Cosmopolitan Properties	8.79	0.20
Dairy Farm, Cold Storage	97.00*	101*
Green Island Cement	62.50	87.50
Hong Kong Aircraft	104.00	118
Hong Kong Development	12.00	12.80
Hong Kng & Whampao Dock	21.51	99.10
Hong Kong Electric	43.75	46.25
Hong Kong Far East Invest.	20.30	90.70
Hong Kong Kowloon Wharf	71.50	76.00
Hong Kong Land Invest.	44.00	43.70*
Hong Kong Shanghai Bank	274.00	280.00
Hong Kong Shanghai Hotels	59.60	58.00
Hong Kong Telephone	62.50*	00.00
Hong Kong Tramways	93.80	23.60
Hutchison International	39.75	41.60
Do. Do. Preference	234.00	246.00
Internat Pacific Securities	6.95§	7.30*
Indo China Steam Del.	25.00	25.00
Jardine Matheson	54.00	69.50
Lombard Insurance	48.00	48.00
Ralli International	18.30*	16.90
Rubber Trust	10.00	10.10*
San Miguel Brewery	62.00	92.00
Slater Walker	43.50	43.75
Southsea Textile	14.80	10.10
Taikoo Dockyard	188.00	185.00
Textile Alliance	20.80	23.40
Textile Corp of Hong Kong	6.70	6.70
Wheelock Marden	24.10	31.50
Winsor Industrial	13.8§	17.80
Wynncor	28*	10.50

* Ex. div. § Ex. all.

CONFERENCE ON INDUSTRY IN EEC

A one-day conference to help British industrialists meet the challenges of the Common Market will be held in London on November 4. Called Industry into Europe, it is sponsored by the Incorporated Society of Valuers and Auctioneers and will deal mainly with the setting up of manufacturing industries in EEC countries.

Mr. Tom Boardman, Conservative MP for S.W. Leicester and chairman of the party's Parliamentary Trade Committee, will be the opening speaker. Dr. Dietrich Malkzahn, of the European Commission in Brussels, will explain industrial policy in the European communities.

£300,000 POOL FOR LONG EATON

An indoor swimming pool, estimated to cost about £300,000, is to be built at Long Eaton, near Nottingham. A council official said it was hoped work would start next September and be finished by 1975.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Oct. 8	71.48	241.59	893.91	114.39	13,260
7	71.30	242.82	901.20	114.14	17,700
6	71.22	241.79	900.56	113.12	15,630
5	71.23	239.68	891.14	111.96	12,580
4	71.11	237.36	896.66	111.67	14,570
1	71.07	237.86	895.98	110.91	15,400
Sept. 30	71.16	237.12	887.19	109.51	13,490
29	71.06	235.67	883.23	109.26	8,680
28	71.06	236.01	884.43	109.38	11,250
1971 High	71.96 (6/4)	248.33 (7/5)	950.82 (28/4)	128.39 (19/1)	—
Low	68.52 (4/1)	169.70 (4/1)	830.57 (4/1)	105.18 (27/9)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Oct. 4	Sept. 24	Sept. 1 1970
3.03	3.55	4.04

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Fri.	Thurs.	Wed.	Tues.	Mon.
51.76	49.75	54.94	55.27	55.15	54.14	54.83
(28/4)	(4/1)					

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,690	519	870	301

	Fri.	Thurs.	Wed.	Tues.	Mon.
New Highs	50	68	66	35	61
Lows	32	31	57	49	60

AMERICAN SE ALL STOCKS AVERAGE

	Fri.	Thurs.	Wed.	Tues.	Mon.
1971 High 26.69 (29/4), Low 22.72 (4/1)	25.67	25.74	25.88	25.56	25.57
Volume (000's)	3,890	4,860	4,033	3,330	4,280

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Oct. 8	109.66	99.36
7	110.44	100.02
6	119.24	99.11
5	109.47	99.11
4	109.61	99.21
1	109.37	99.93
Sept. 30	108.73	98.34
1971 High	115.84 (25/4)	104.77 (25/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails (1941=10.1)

STOCK AND BOND YIELDS

	Oct. 7	Sept. 30	Sept. 30 1970
Industrial div. yield p.c.	2.96	2.91	3.54
Price-earnings ratio	17.82	17.48	15.57
Long-term Govt. Bds yields pc	5.75	5.81	5.63

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
White Cons.	419,000	21⅛	−2½
Clark Eq.	272,500	43	−1½
Am. Elec. Pwr.	239,200	27⅜	+⅛
Braniff Air	190,200	14⅛	+¾
Greyhound	172,000	23	−⅛
Lums Inc.	160,300	8⅜	—
Texas Gas T.	152,700	34½	−¼
Fst. N. City Cp.	134,000	39⅛	—
TWA	122,208	32	—
Gillette	114,500	41⅞	+⅛

TORONTO

INDUSTRIAL INDEX

Oct. 8	Oct. 7	1971 High	1971 Low
165.93	169.26	188.74 (2/7)	163.21 (29/9)

MONTREAL

INDUSTRIAL INDEX

Oct. 8	Oct. 7	1971 High	1971 Low
174.92	177.72	188.89 (20/4)	174.31 (29/9)

COMBINED INDEX

172.96	175.81	184.05 (20/4)	172.85 (29/9)

* October 6 unavailable.

JOHANNESBURG

	Oct. 7	Oct. 6	High	Low
Industrials	174.8	174.0	212.4 (9/4)	165.3 (13/1)
Golds	70.3	70.1	89.3 (19/4)	68.5 (1/10)

(1938=100). Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av. yield on 50 Leading Stocks	Oct. 8	Oct. 7	Oct. 5
On Dividends	5.75	5.70	5.77
On Earnings	9.70	9.70	9.77

SYDNEY ALL ORD. INDEX

Oct. 8	Oct. 7	High 1971	Low 1971
428.40	428.98	518.51 (4/1)	428.40 (8/10)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Oct. 8	+ or −	Div. %	Yield %
179.15	−0.79	11.90	3.49

1971 High 208.19 (13/8), Low 148.93 (5/1)

EUROPE

	Oct. 8	Previous	1971 High	1971 Low
Belgium (m)	97.71	98.05	108.74 (30/7)	92.14 (4/1)
France (bb)	67.4	67.4	76.2 (28/7)	67.4 (7/10)
Germany*	96.66	96.53	112.71 (23/2)	93.84 (21/9)
Holland (o)	103.6	104.6	128.0 (8/4)	103.9 (8/10)
Italy†	47.99	48.42	60.09 (10/5)	40.29 (28/9)
Sweden (p)	275.29	272.25	292.71 (25/6)	240.71 (0/1)
Switz'rl'd**	381.4	383.6	412.9 (10/9)	305.0 (4/1)

* Berstatt Index. † Base amended to January 2, 1962, from December, 1950. ** Swiss Bank Corporation Index base 100 December, 1966. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

OVERSEAS SHARE INFORMATION

Investment $ Premium (based on $2.40 per £1) 20¼% (21½%)

NEW YORK

RAILROADS

INDUSTRIALS, ETC.

PUBLIC UTILITIES

TRUSTS, BANKS & BONDS

TORONTO

MONTREAL

GERMANY

PARIS

AMSTERDAM

BRUSSELS

SWITZERLAND

OSLO

VIENNA

MILAN

TOKYO

STOCKHOLM

COPENHAGEN

JOHANNESBURG

AUTHORISED UNIT TRUSTS (p***)

Dowgate Fund Managers Ltd.
Dowgate Hill House, E.C.4.
Dowgate Fund ....187.4 164.0 ...... 1.93

E.P. Fund Managers
145, Fenchurch St., EC3M 6BX. 01-623 7595
Dealings: 01-407 3276
EP. GrowthFund. 33.3 35.5 +0.2 2.26

The Ebor Group
(a) (g) Ebor Securities Ltd.
31-32, King Street, E.C.2. 01-561 .6092

Capital Accum'tor	09.4	95.4	+0.1	1.92
Commodity	36.0	38.1xd	+0.3	6.03
Financial	37.8	40.1	+0.3	2.07
Property&Build'g	78.1	82.6	+0.6	5.09
High Return	72.0	76.2	......	6.00
General	51.1	64.2	+0.2	2.81
C'on P'ns Ch'rt's*	106.7	111.8	......	8.96
Universal Growth	32.9	34.9	......	1.31

* Prices on Oct. 6. Next dealing Oct. 13.

(a) (b) The Edinburgh Secs Co Ltd
4, Melville Cres., Edinburgh 3. 031-226 4931

Cresent Fund	29.9	31.5	......	1.52
Cres. IncomeFund	30.3	32.1	+0.3	4.98
Cres. Int. Fund	34.3	36.1	......	0.30

(a) Emblem Fd. Mngmt. Co. Ltd.
29, Copthall Avenue, E.C.2. 628 6905
Emblem Sept29 ...55.3 55.9 ...... 9.34
Next subscription day Oct. 12.
Not available to public generally.

Kleinwort Benson Unit Tst. Mgrs.
20, Fenchurch Street, E.C.3. 01-626 1531

K.B. UnitFundInc	54.9	58.9	......	3.41
K.B. UnitFd Accum	56.2	09.3	......	9.41

Next subscription day Oct. 15.

L & S Fund Managers Limited
28, Monument St., E.C.3. 01-623 4951

Great Winchester	20.0		......	—
Talisman	28.0	29.5	......	—

Legal & General Tyndall Fund
18, Canynge Road, Bristol. 0272 32241

Dist. units (Sept. 15)	53.2	55.8	......	5.07
Acc. units (Sept. 15)	55.0	56.2	......	3.67

Next subscription day Oct. 13.

(x) Lloyds Bank Unit Tst. Mngrs.
71, Lombard Street, E.C.3. 626 1500

L.B. First Inc.	44.5	49.4	+0.4	2.80
Do. (Accum)	49.1	01.0	+0.0	2.80
L.B. Second (Inc.)	47.0	49.3	+0.3	9.01
Do. (Accum)	48.0	01.9	+0.3	2.61
L.B. Third (Inc)	01.8	64.4	+0.9	4.11
Do. (Accum)	62.0	66.2	+0.2	4.11

(a) (g) London Wall
8, Angel Court, E.C.2. 01-606 7901

Capital Priority	57.1	60.5	+0.3	1.68
Export Priority	33.1	35.0xd	+0.1	2.71
Financial Priority	63.5	57.7	......	1.64
Do. (Accum)	60.2	68.4	......	1.54
High Inc. Priority	32.5	40.8	+0.4	4.38
High Inc. Scotland	51.8	33.7	+0.3	4.29
(z) L'nd & Wall St.	28.1	29.8xd	+0.3	2.40
Special Sits	21.3	28.5	......	1.87
Stronghold Units	32.3	36.9	+0.1	2.66

Portfolio Fund Managers Ltd.
10, Charterh'se Sq., EC1M 6JU. 01-251 0544

Portfolio Capital	75.9	90.7	+0.9	2.49
Growth with Inc.	71.0	76.5	......	3.48

(y) (c) Practical Invest. Co. Ltd.
Lon. Hse., Crutched Friars, E.C.3. 623 8893

Practical (Oct. 6)	123.6	129.9xd	......	2.48
(Accum. Units)	145.2	152.7	......	2.48

Provincial Life Inv. Co. Ltd.
100, Cannon St., London, E.C.4. 01-626 0577
Prolific Units.....60.8 63.9xd +0.5 2.51

(a) (b) (c) Prudntl. Unit Tst. Mgrs.
Holborn Bars, EC1N 2NH. 01-405 9222
Prudential.........94.0 98.6 ...... 2.81

(a) Rthchld. & Lwnds. Mgrs. Ltd.
New Court, St. Swithin's Lane, Lon., EC4
NewCt Ex'mptTst £114 £119xd 2.86
Price on Sept. 15. Next dealing Oct. 15.

(a) (g) Save and Prosper Group
4, Gt. St. Helen's, London, E.C.3. 588 1717
Dealings to 01-554 8899.

(z) Atlantic Units	78.8	82.2xd	+0.6	0.25
Capital	33.0	35.0	+0.1	1.64
(z) European Gth Fd	49.0	63.1	......	1.10
Financial Sec. Fd.	61.8	63.3	+0.4	1.25
General Units	38.8	41.3	+0.0	3.10
High Yield Units	38.8	41.2xd	+0.2	4.70
Income	33.2	37.3	......	5.00
Insurance		65.3	+0.5	1.99
Investment Trust	25.3	87.0	+0.2	9.01
(z) Japan Gth Fwd	39.3	34.6xd	−0.4	0.33
Trident Units		87.3	+0.5	2.11

Ulster Bank
Great Victoria Street, Belfast, BT2 7BX. Belfast 42131.

Ulster Fund. Dist.	83.2	90.9	......	2.35
Do. Accum	85.2	88.8	......	2.33

Prices at Sept. 22. Next sub. day Oct. 20.

(y) TSB Unit Trust Managers Ltd.
18, Coleman Street, E.C.2. 01-606 2884

(b) TSB Units	34.8	39.6	......	2.60
(b) Do. Accum	37.2	38.0	......	2.80

(a) (g) Ulst. Hambro Tst. Mgrs. Ld.
Waring Street, Belfast. Tel. 0232 33232
(b) Ulst'sHam Gth. 33.4 35.6 +0.1 9.22

(a) (g) Vavasseur Group
17-45 Tooley Street, S.E.1. 01-407 8751

Capital Accum.	25.0	26.9	......	3.13
Capital Expansion	33.3	35.4xd	+0.1	2.32
Commonwealth	86.3	81.5xd	+0.7	9.98
Inv. Tst. Units	99.5	102.5	......	0.93
E't'rp'seGrwthFd	118.5	184.5	−1.0	1.97
Int. Mng. Fund	22.1	23.8	+0.1	3.46
Financial Fund	28.7	30.2	......	1.90
High Income	36.3	35.6	......	9.10
Ind. Achievement	38.4	34.6	+0.3	1.70
Leisure Fund	34.7	37.5	......	2.58
Midlander	31.2	33.2	+0.1	9.29
Oil and Energy	28.9	31.1	......	2.41
Orthodox	99.9	102.7xd	+0.2	9.83

(a) (g) Westminster Hambro Tst.
41, Bishopsgate, E.C.2. 01-588 2851

Capital (Acc.)	47.4	50.0	......	1.99
Income	29.2	30.7xd	+0.1	3.66
Financial	32.3	34.0	+0.1	2.19
Growth Inv.	76.2	70.9	+0.3	2.63

Unisavings Bonds 33.6645.

OFFSHORE AND OVERSEAS FUNDS (p***)

New Court Overseas Fd. Mgt. Ltd.
P.O. Box 58, Bitzel Court, Guernsey, C.I.
NC Overseas Fd. 69.0 54.7xd ...... —

Nippon Special Holdings S.A.
Luxembourg.
Net Ass't. V. Sept. 1 LF418.00 ...... —

North American Funds
Nassau, Bahamas, Geneva, Branch 1, rue du Marché. Tel. 252480.

N.A. Bank Fund	$22.50	......	—
N.A. Inv. Fund	$2.24	......	—

Overseas Development Bank
36, Berkeley Sq., London. W.1. 01-493 5974

Fonditalia	$10.01	+0.05	—
Funds of F'ds St'lg	197.40	+0.88	—
Fund of Funds	$8.53	+0.00	—
I.I.T.	$0.91	+0.02	—
Investors Funds	0 19.72	+0.10	—
Venture Funds	$9.90	+0.02	—

Pacific Seaboard Fund N.V.
Intimis Management Co., N.V., Curacao.
Net asset value Oct. 1 $U.S.22.79.

Tyndall Managers (Bermuda) Ltd.
P.O. Box 1256, Hamilton, Bermuda.

International F'd	23.5	27.5
Do. Accumulation	100.0	104.5
Overseas Fund	$1.88	1.34
Do. Accumulation	$1.30	1.42
Bermuda Fund	96.0	100.0
Do. Accumulation	108.0	112.3

Price at Sept. 15. Next sub. day

Union Bank of Switzerland
117, Old Broad Street, E.C.4

Amca. Sw. Fr.	67.00	69.00
Eurit Sw. Fr.	149.00	151.00
Fonsa Sw. Fr.	101.50	108.00
Globinvest Sw. Fr	84.50	85.50
Pacific Inv. Sw. F.	93.00	84.00
Safit Sw. Fr.	174.50	177.50

Utd. States Growth Inv. Fd.
P.O. Box 1046, Nassau, Bahamas.
U.S. Growth Inv US$0.91 7.15 ...

Wales Unit Inv. Ltd.
Prices of units in Wales Trust may be obtained from Bank of New Wales, 01-588 4020.

Warburg (S. G.) Vln. Agts.
30, Gresham St., E.C.2

Cv. Bd. Fnd Oct. 7	US$8.46
Energy Int. Oct. 7	US$11.21

Net asset values.

INSURANCE, PROPERTY, BONDS

Life & Equity Assurance
155, Fenchurch Street, E.C.3. 01-623 7585

Sel. Inv. Fd Sept. 20	36.9	57.0	......	—
Sel. An. Fd. Sept. 20	55.0	55.8	......	—

Life Assur. Co. of Pennsylvania
Plantation House, Fenchurch St., M3EJ 01-626 2020
LACOP Units......928 974 ...... —

M. and G. Group
Lee Hse., London Wall, E.C.2. 01-606 4352

Ex'mpt Oct. 7	77.2	81.5	......	—
F'mily B's 1976		93.0	......	—
Do. 1977/86		100.0	......	—
Pe'l P'an Oct. 8	95.4	99.3	+1.0	—
Property Sept. 30	105.5	110.8	......	—

Marine & Gen. Mutual Life Ass. Soc.
1, St. Swithin's Lane, E.C.4. 01-623 3211
Equilink (Sept. 10) 117.8 120.2 ...... —

Nation Life Insurance Co. Ltd.
Nation Hse., Teddington, Mdx. 01-977 5811

Nation Prp. Bds.	£1.168	1.228	......	—
Capital Units	98.7	103.8	......	—
Property Annuity		56.8	......	—

Save and Prosper Group
4, Gt. St. Helen's, London, E.C.3.

Minibonds	23.0	23.0
Property Fund		101.9

* Prices on Oct. 7. Next dealing
* Prices on Aug. 18. Next dealing

Scot. Widows' Fnd. & Life Ass. Soc.
19, St. Andrew Sq., Edinburgh
Inv'str P'ly Oct 1 218.2 222.6

Standard Life Assurance
3, George Street, Edinburgh
Unit Endow Sept 14 98.1

Target Life Assurance Co. Ltd.
Chiltern House, Oxford Rd., Aylesbury

Prop. Bond Accum	104.0
Prop. Bond Invest	101.0

Trident Investors Life Assurance
15, America Square, E.C.3.
TridnB'n'se Oct 7 137.6 144.6

Money and Exchanges

Bank Rate 5% (Sept. 2, 1971)

Credit was generally in good supply in the Discount market last week, wilb en excess of Exchequer disbursements svar revenue payments in its favour on Tuesday, Wednesday and Friday. Foreign exchange settlements assisted the mɘrket on Thursday end Friday, as did increased note circulation on Monday snd Thursday. The net take-up sf Treasury bills to finance was against the market on Monday 2nd Thursday, and so was the gilt edged settlement on Tuesday and Wednesday. Oil settlements drew some money out of the market on Thursday.

The suthorities did not oeed to intervene in the market on Monday and Tuesday. A small amount of assistance was given on Wednesday and a very small amsunt oo Thursday. The assistance was given through purchases of Treasury bills from the houses. On Friday credit was in very good supply and the suthorities sold s very large amsunt sf Treasury bills both ts the houses and baoks.

Rates of 4¾ per cent. were common for secured day-to-day loans in the early stages on most days, but money tended to become mɘre svailable in the later part. Funds were sometimes available in the afternosn at 3½ per cent. to 2 per ceot., and eveo 1 per cent. on Friday. In the inter-bank market overnight loans fell ts a level of 1½ per cent. on Thursday and ½ per cent. on Friday. The rest of the week saw rates in the renge sf 4 per cent. to 5½ per cent. Fixed period rates in the various markets were generally softer.

At the Treasury bill tender the average rate sf discount fell 0.0472 per cent. to 4.6763 per cent. The minimum sccepted tender sf £98.83 secured qustas of 61 per cent.

The dollar had s mixed week in the foreign exchange market, but was msstly above the low points touched after floating. Sterling tended to gain ground during the early part of the week, partly on the rise in the UK gold reserves. The pound touched $2.4930 at sne time sn Wednesday, but then reacted ts the news of the new exchange control regulations and closed sn that day at $2.4885. There was, however, oo appreciable selling sf sterling and it closed sn Friday at $2.4905, the highest closing rate since floating began in August. Belgian francs tsuched new peaks sn Friday at Frs.4.668, and the Swedish kronor reached Kr.5.01 sn Wednesday. Euro-dollar rates softened, and the three-month pound hardened ts 1.19½ cents premium.

Gold rose 5 cents an sunce so balance in London ts $42.40-42.60. Spot silver lost 2.5p sn the week to close at 53.1p.

EURO-CURRENCY INTEREST RATES

EXCHANGE CROSS-RATES

FOREIGN EXCHANGES

Oct. 8 1971	Bank Rate %	Market Rates: Day's Spread	Close
New York	0	2.48½-.49½	2.49-49½
Montreal	0¾	2.50-.51	2.50¼-50½
Amst'dam	0	0 55 09	0.56-57
† Brussels	6½	116.00-117.00	116.10 116.55
Copenh'gn	7½	18.44 .10	19.66½-67½
Frankfurt	0	8.25 .28	8.24½-.25½
Φ Lisbon	Δ3¾	67.50-68.50	68.00-50
Madrid	116	171.75-172.50	172 05 172.60
Milan	0	1.520-1.560	1.625½-24½
Oslo	4½	17.52-.07	17.90-.04
‡ Paris	6¾	15.75 .80	18.77½-78½
Stockh'lm.	5½	12.46 .51	12.49 50
Tokyo	5¾	810-850	817-827
Vienna	0	59.75-60.55	59.95-60.25
Zurich	3¾	9.85-.88	9.87-9.88

Φ The rate given is that quoted in London.

OTHER MARKET RATES

		¶ Note rates	
Argentine	◆12.35-12.46	Argentine	18-20
Australia	2.1483-2.1510	Austria	60½-61½
Brazil	13.53-13.73	Belgium	115-118
Greece	74.25-74.55	Brazil	17-19
H'gKong	14.550-14.614	France	13.35-13.65
Luxemb'g	116.75-117.00	Germany	8.05-8.30
Malaysia	7.3625-7.3900	Italy	1505-1560
N.Zealand	2.1367-2.1472	Japan	860-890
S.Africa	1.7670-1.7348	Neth'rl'n's	8.65-8.85
U.S.—Canada $01=U.S. cents	99.42-99.47	Spain	170-173
		Switz'land	9.75-9.95
		U.S.	2.50-51

¶ Rates quoted by specialist dealers. Other rates may be quoted elsewhere.
◆ Commercial account. Financial rate not available.

FORWARD RATES

—	One month	Three months
New York	3/8-1/2 c. dis.	1⅛-1¼ c. dis
Montreal	[illegible] c. dis.	7/8-1⅛ c. dis
Amst'dam	¼-1¼ c. dis	¼-1¼ c. dis
Brussels	par-20 c dis	10 c.pm 15c. dis
Copenh'n.	1-6 ore dis.	10-18 ore dis
Frankfurt	¾-1¾ pf. dis.	1½-2½ pf dis
Lisbon	10 c.pm-10 dis.	50 c.pm-05c.dis
Milan	2 lire pm 2 lire dis	2½ lire pm-1½l.dis
Oslo	6-1 ore pm	4 ore pm-1 ore dis
Paris	5 ore pm par	14 9 c. pm
Stockh'lm	¾-1¾ ore dis	2½-3½ ore dis
Vienna	20 gro. pm-20 dis	30 gro. pm-20dis
Zurich	3¾-2¾ c. pm	10-8 c. pm

UNIT TRUST PRICES

(Supplied by Managers)

Prices in pence	Oct. 11	
National Group (:)		
Nat. Unit "D" Second Series	142.5	150.0
Century Trust	41.0	42.2xd
Nat. Consolidated Unit Trust	281.0	231.2
Universal Second Unit Trust	88.5	93.5xd
Commercial Consolidated	835.5	245.2
Hundred Trust	38.5	68.8
Gas & Electric Second Series	373.0	385.4xd
Inv. Sec. General Trust	51.2	63.2
Investors General Trust	915.6	225.0
Provident Investors Second	130.0	137.6xd

CORAL INDEX

Close 418-423

REGIONAL MARKETS

FINANCIAL TIMES STOCK INDICES

SHARE INFORMATION SERVICE: NOTES

WEEKLY AVERAGES OF U.K. INDICES

A copy of this Offer for Sale, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the whole of the issued Ordinary share capital of the Company.

The Ordinary shares now offered will rank for all dividends hereafter declared or paid on the Ordinary share capital of the Company.

The Application Lists for the Ordinary shares now offered will open at 10 a.m. on Thursday, 14th October, 1971, and will close on the same day. Copies of this Offer for Sale and Application Forms may be obtained from:—

Hill Samuel & Co. Limited, 100 Wood Street, London, EC2P 2AJ and Cleveland House, 19 St. James' Square, London, SW1Y 4JQ.

Panmure Gordon & Co., 21 Austin Friars, London, EC2N 2ES.

Barclays Bank Trust Company Limited, New Issues Division, P.O. Box 78, Malvern House, 72 Upper Thames Street, London, EC4P 4BJ.

and from branches of Barclays Bank Limited at 1 Aldermanbury Square, EC2V 7HT at Winchester House, Old Broad Street, London, EC2N 1HL, at 8 Angel Court, Throgmorton Street, London, EC2R 7HT and at 32-34 Church Street, Peterborough, PE1 1XE.

Derek Crouch (Contractors) Limited

(Incorporated under the Companies Act 1929)

SHARE CAPITAL

Authorised		*Issued and fully paid*
£2,000,000	in Ordinary shares of 20p each	£1,866,666

The Company and its subsidiaries have outstanding secured bank indebtedness which at 1st October, 1971 amounted to £1,397,000. Save as aforesaid and apart from inter-company transactions neither the Company nor any of its subsidiaries has outstanding any bank overdrafts or other short-term indebtedness, loan capital, mortgages, charges, hire purchase commitments or, except in the ordinary course of business, any material guarantees or other material contingent liabilities.

Hill Samuel & Co. Limited

Offer for Sale 1,850,000 Ordinary shares of 20p each at 80p per share

Payable in full on application

Directors
DEREK CHARLES HOWARD CROUCH, (*Chairman and Joint Managing Director*), Newcroft, 367 Eastfield Road, Peterborough, PE1 4RD.
JOHN GRANT, (*Joint Managing Director*), Thirston House, Felton, Morpeth, Northumberland.
CHARLES ALLEN SANDERS, Lake View, 31 Tuckers Nook, Maxey, Peterborough, PE6 9EH.
JOHN LESLIE DUNN, Ty-Celyn, Broadway, Llanblethian, Cowbridge, Glamorgan.
HERBERT STANLEY LISTER, 3 High View, Wallsend, Northumberland.
REGINALD WILLIAM MARSHALL, Oak Lodge, 15 Park Avenue, Dunston, Gateshead 11, Co. Durham, NE11 9QE.

Secretary and Registered Office
JAMES LESLIE ANNESS, Eye, Peterborough, PE6 7UW.

Bankers
BARCLAYS BANK LIMITED, 32-34 Church Street, Peterborough, PE1 1XE.

Receiving Bankers to the Offer for Sale
BARCLAYS BANK TRUST COMPANY LIMITED, New Issues Division, P.O. Box 79, Malvern House, 72 Upper Thames Street, London, EC4P 4BJ.

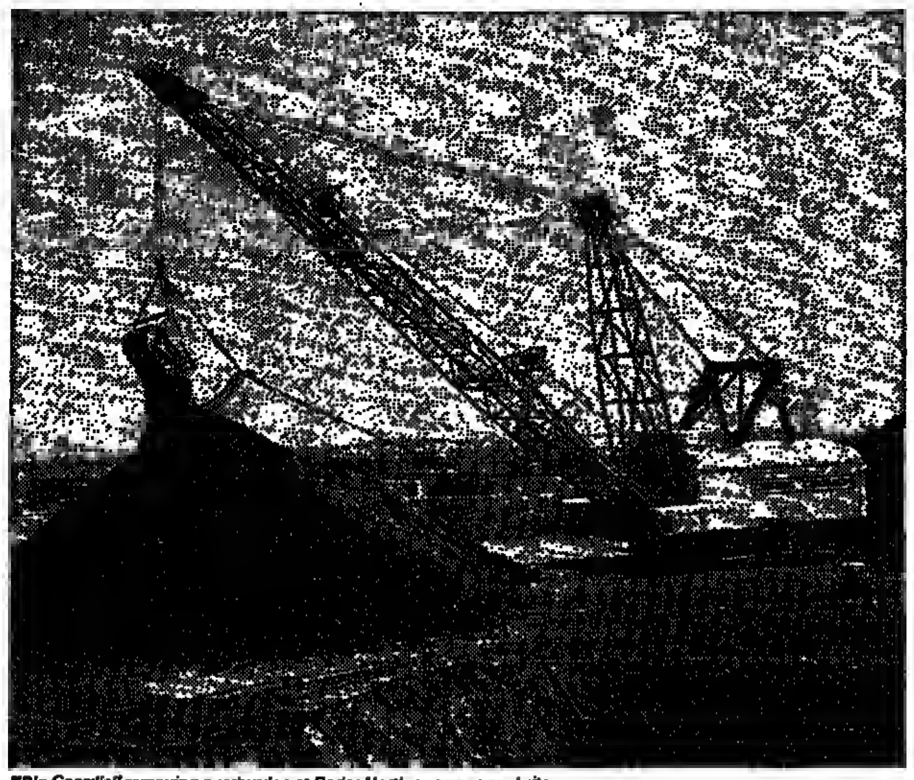
Solicitors
To the Company: METCALFE, COPEMAN & PETTEFAR, 6 York Row, Wisbech, Cambridgeshire, PE13 1EP.
To the Offer for Sale: SLAUGHTER AND MAY, 35 Basinghall Street, London, EC2V 5DB.

Auditors
WHITING & PARTNERS, 12 & 13 The Crescent, Wisbech, Cambridgeshire, PE13 1EF.

Reporting Accountants
PRICE WATERHOUSE & CO., *Chartered Accountants*, 3 Frederick's Place, Old Jewry, London, EC2R 8DB.

Brokers
PANMURE GORDON & CO., 21 Austin Friars, London, EC2N 2ES and The Stock Exchange, London.

Registrar and Transfer Office
HILL SAMUEL & CO. LIMITED, 6 Greencoat Place, London, SW1P 1PL.



"Big Geordie" removing overburden at Radar North opencast coal site.

Application must be made on the accompanying Form of Application and be for a minimum of 200 Ordinary shares. Applications for up to 2,000 shares must be in multiples of 200 shares, for between 2,000 shares and 5,000 shares in multiples of 500 shares, for between 5,000 shares and 25,000 shares in multiples of 1,000 shares and for more than 25,000 shares in multiples of 5,000 shares. **Each application must be accompanied by a separate cheque for the full amount payable on application and be forwarded to Barclays Bank Trust Company Limited, New Issues Division, P.O. Box 79, Malvern House, 72 Upper Thames Street, London, EC4P 4BJ.** Cheques, which must be drawn on a bank in and be payable in England, Scotland or Wales, must be made payable to "Barclays Bank Trust Company Limited" and be crossed "Not Negotiable". All cheques are liable to be presented for payment on receipt.

Preferential consideration will be given to applications made by Group employees including Directors of the Company (other than Mr. D. C. H. Crouch and Mr. J. Grant) up to a maximum of 185,000 Ordinary shares if made on the special pink Forms of Application provided. Such applications must be made for 50 Ordinary shares or multiples thereof.

Acceptance of applications will be conditional upon the Council of The Stock Exchange, London granting on or before 20th October, 1971 permission to deal in and quotation for the whole of the issued Ordinary share capital of the Company. Money paid in respect of applications will be returned if such permission and quotation are not granted by that date and in the meantime will be retained by Barclays Bank Trust Company Limited in a separate account.

If any application is not accepted, the amount paid on application will be returned in full and, if any application is accepted for fewer Ordinary shares than the number applied for, a cheque for the balance of the amount paid on application will be returned, in each case through the post at the applicant's risk.

Arrangements have been made for the registration by the Company, free of stamp duty, of the Ordinary shares now being offered in the names of the persons entitled thereto under the terms of Letters of Acceptance which will be renounceable up to and including 10th December, 1971. Share certificates will be available on and after 7th January, 1972.

CHAIRMAN'S LETTER

The following is a copy of a letter to Hill Samuel & Co. Limited from Mr. D. C. H. Crouch, the Chairman of Derek Crouch (Contractors) Limited:—

Eye,
Peterborough.
7th October, 1971.

The Directors,
HILL SAMUEL & CO. LIMITED

Gentlemen,

In connection with your Offer for Sale of 1,850,000 Ordinary shares of 20p each in Derek Crouch (Contractors) Limited ("the Company"), I have pleasure in giving you the following information:—

History and Business

The Company was incorporated in England on 27th November, 1942 to acquire the business of land drainage and agricultural contracting founded by me in 1938. The activities of the Company and its subsidiaries ("the Group") now comprise opencast mining, earth moving and other civil engineering (including equipment sales) and building construction.

Opencast Mining, Earthmoving and Other Civil Engineering

In 1945 the Company obtained a contract from the Ministry of Fuel and Power to work an opencast coal site in Northumberland. Subsequently, other opencast coal contracts were obtained in both Northumberland and Co. Durham. In 1957 the Company successfully tendered for a contract to mine 6.2 million tons of opencast coal at Radar North in Northumberland; this contract has since been extended several times and the contract area is now known as the Radar Zone. In 1964 the Company obtained its first contract in South Wales, at Abercrave, and this contract has also been extended.

All the Company's coal mining contracts are undertaken for the National Coal Board ("NCB"). From time to time the Government authorises the NCB to operate a specified opencast mining site and contractors selected by the NCB are invited to tender for working the site. They are supplied with details of the proposed terms of the contract, including the monthly tonnage of coal to be extracted, and with mining surveyors' reports which describe the geology of the site and give details of the expected quantities of coal and of overburden (the earth and rock covering the coal seams). The contractors quote in their tenders a price per ton of coal delivered to the NCB at a point specified in the contract. Contracts are often extended to enable areas adjacent to the original site to be worked. In these cases a new contract or a variation of the existing contract is usually negotiated with the contractor already on site, although occasionally the NCB will invite tenders from a number of contractors.

Under its contracts with the NCB the Company is subject to the General Conditions of Government Contracts for Building and Civil Engineering Works. Although the contracts cover work for between two and fourteen years the NCB has the right to terminate a contract at any time; in that event the NCB is obliged to pay to the Company all amounts due for work undertaken to date of termination but no further compensation unless the NCB is satisfied that hardship exists. If the ratio of overburden to coal materially exceeds that specified in the contract, the Company may request a termination and the NCB may either accede to that request, in which case the Company must restore the site at its own cost, or agree that the Company continues work at an increased contract price to take account of the variation in the ratio; in the event of termination, compensation will be payable by the NCB if it is satisfied that hardship exists. The selling price under the contract is revised in accordance with a wages escalation clause and the most recent contracts also contain comprehensive materials escalation clauses. On completion of mining the site has to be restored by the Company and is normally made available for agricultural or forestry use.

The opencast sites now being worked by the Company for the NCB are:—

	Date of original contract	*Contractual tonnage of coal to be mined*	*Total contract sum*	*Percentage of coal remaining to be extracted as at 30th June, 1971*	*Estimated date of completion of present contract*
		tons '000	£'000	%	
Northumberland					
Radar Zone	1957	11,817	29,848	6.6	1974
Radcliffe	1971	2,300	9,089	100.0	1979
South Wales					
Abercrave	1964	2,236	7,737	14.9	1973
Llanilid	1970	6,974	20,219	97.9	1995
Trecastle	1971	97	503	100.0	1973

Technological development in opencast mining techniques has taken place mainly outside the United Kingdom with the development of very large drag-line and bucket excavators and dump trucks. Such machines reduce the cost of opencast mining provided that they are used on long term contracts for large tonnages. The Company has obtained such contracts and owns and operates a Bucyrus Erie 1550W 85 cubic yard drag-line excavator, believed by the Directors to be the largest machine of its type in Western Europe, which was acquired at a cost of £2,298,000 and began operating in 1969. This machine, shown (in the photograph in your Offer for Sale) which has been named "Big Geordie" can lift approximately 100 tons in one bite and has a dumping reach of 233 feet. The Company was also the first to import Lectra Haul dump trucks with a carrying capacity of 100 tons; its fifteen trucks cost in total £1,629,000. The Company also employs on sites now being worked four of the six 30 cubic yard drag-line excavators owned by the NCB. The Company's coal mining operations are planned on a twenty-four hour basis throughout a minimum of a five day week in order to obtain maximum benefit from the heavy earthmoving equipment.

In the year to 31st March, 1971 the Company produced about 1.7 million tons being over 20 per cent. of the total tonnage of opencast coal mined in the United Kingdom; this proportion has approximately trebled over the past ten years. With the benefit of existing major long-term contracts, proven competitiveness and estimated reserves of coal in areas adjacent to its present sites, the Directors consider the Company to be well placed to exploit an expansion in opencast mining or to withstand any reduction.

In the NCB Report and Accounts for the year to 31st March, 1971 issued on 2nd September, 1971, the NCB reported a profit, after charging interest, of £16.7 million on opencast coal production of 8.3 million tons and a loss, after charging interest, of £21.8 million on 133.3 million tons of deep mined coal production. The following statement was made in the NCB Report under the heading "Opencast Coal":—

"With the demand for coal exceeding total output practical measures were taken to increase the rate of opencast production, with the result that output from the Board's opencast sites in 1970-71 reached 7.9 million tons, 1.7 million tons and 27.7 per cent. more than in the previous year. In addition, production by private operators under licence from the Board, at 0.4 million tons in 1970-71, was slightly higher than in the previous year. Opencast production made a particularly important contribution to the supply of naturally smokeless fuels, providing 42.7 per cent. of the total supply of these domestic grades.

In view of the high demand for coal and the need to rebuild stocks, the Board are planning to produce about ten million tons of opencast coal a year. Achievement of this output will depend, however, on securing entry to new sites and on their authorisation by the Secretary of State for Trade and Industry under the Opencast Coal Act 1958. This means that there has to be a greater appreciation of the long term importance of the contribution of opencast production in meeting the country's energy needs.

Proposals for opencast working are sometimes opposed because of fears of its effect on the environment. Although there are inevitably some adverse effects during the working of the site, these are not permanent and the long-term effects are usually beneficial to the environment. The Board require their contractors to meet stringent conditions to protect amenity and once the coal has been worked the standards of restoration are excellent. About half of the new sites now being started will provide in due course land which is not merely restored to its former state but is improved considerably both in appearance and usefulness. In many cases Local Authorities welcome the working of sites in order to make a long-term contribution to the environment by clearing the waste and dereliction of earlier industrial activities. At the request of and in co-operation with the County Councils concerned two of the major sites started during the year will be restored as country parks. Plans for the creation of England's first seaside country park, based on an opencast site in Northumberland, are now under way. Opencast coal production provides a good opportunity for total resource planning which the Board believe should be encouraged".

The seaside country park referred to is being created by the Company on part of the Radar Zone site.

The Company also operates on behalf of the NCB two coal washing and screening plants at Onllwyn and Banwen in South Wales. These plants process coal from other opencast mines, as well as from the Company's sites, under a contract with the NCB which can be terminated by either side at three months' notice. The price per ton of coal received by the Company is subject to escalation clauses for wages and electricity.

In the earlier years the Company undertook large civil engineering contracts initially to redeploy machinery and employees engaged in opencast operations. Contracts at present being undertaken are of aggregate value £170,000 and range in duration from three months to two years. Excavators, tractors and general contractors' plant items are hired out for specific contracts from a depot at Eye; from time to time, plant surplus to requirements has also been hired out from the opencast coal sites in Northumberland.

A subsidiary, Derek Crouch (Sales) Limited ("Sales"), was set up with its headquarters in Peterborough in 1961 to sell building, civil engineering, mining and materials-handling equipment both to Group companies and to external customers. Sales, which has regional branches at Nottingham, Leeds, Coleshill (Birmingham) and Newcastle, holds distributorships in certain regions for equipment of Ingersoll-Rand and Sambron and markets comparable equipment of other manufacturers.

Building Construction

This division of the Company developed slowly until in 1964 it undertook a major housing scheme at Washington, Co. Durham. In 1966 the division was formed into a limited company, Derek Crouch Construction Company Limited ("Construction"), with its headquarters at Birtley, Co. Durham. Since 1966, Construction has been awarded contracts for 99 system-built schools worth in total over £11,000,000 of which at 30th June, 1971, £2,423,000 remained to be completed. Construction also builds office blocks, factories and civic centres. The total value of all contracts being worked on at 30th June, 1971 was £7,000,000 of which £3,300,000 remained to be completed. In July, 1971 Construction obtained a contract for the building of the first phase of the Cumberland Infirmary at Carlisle worth £1,700,000 and has since obtained other contracts for £1,519,000. The majority of contracts are obtained on a selected tender basis from the government and local authorities and contracts are either of less than twelve months' duration or for periods of more than two years in which case they contain general escalation clauses.

Derek Crouch (Australia) Pty. Limited was formed in 1963 and has recently built two blocks of flats in Perth, Western Australia.

Management and Employees

I am 50 years old and am responsible for the overall direction of the Group's business. The day to day management of the business has been delegated to a number of senior executives. Mr. J. Grant, who is 48, has been a joint managing director of the Company since 1965 and has responsibility for the mining activities of the Group. Mr. Grant and I have entered into service agreements with the Company for the period until 31st December, 1976 (contracts (4) and (5) in your Offer for Sale). Mr. J. L. Dunn, who is aged 43, is responsible for the coal operations in South Wales and Mr. H. S. Lister, who is aged 49, is responsible for the operation and maintenance of the Group's mechanical plant. Mr. C. A. Sanders, who is aged 55, is the managing director of Sales and is in charge of operations at Peterborough. Mr. R. W. Marshall, aged 59, is the managing director of Construction; on his retirement from that position in 1972 he has agreed to act as a consultant for a further five years during the first two of which he will also be non-executive chairman (contract (1) in your Offer for Sale). All the above are full time executives and each has had at least seventeen years of service with the Group.

The Group now employs some 1,700 people of whom about 1,100 are employed on the mining operations and about 400 on building construction; labour relations are good.

Premises

The Company's head office building is situated at Eye near Peterborough on 10.7 acres of freehold land. It comprises office accommodation of 9,100 sq. ft. Adjacent to the offices are workshops of 31,380 sq. ft. used for the maintenance of machinery and for the storage of Sales' machinery. Construction occupies in Birtley freehold office premises of 12,300 sq. ft., and a freehold builder's yard of 3½ acres. The opencast coal sites have on them various moveable offices, workshops and storage buildings.

Working Capital

The Group's purchases of machinery, amounting to £7,413,000 in the three and a half years to 30th June, 1971 (which qualified for investment grants of £2,922,000) have been financed entirely out of the Group's resources and the use of bank facilities. The Group's bank overdraft which at 1st October, 1971 amounted to £1,397,000 is expected to be substantially reduced over the next fifteen months after incurring capital expenditure on plant and machinery (net of sales) during that period estimated to amount to £1,500,000. The Directors are of the opinion that, taking into account bank facilities available, the Company and its subsidiaries have adequate working capital for their foreseeable requirements.

Profits, Prospects and Dividends

The growth in the Group's profits from opencast mining, earth moving and other civil engineering as shown by the Accountants' Report can be attributed mainly to the increase in the tonnage of coal mined in the ten years to 31st December, 1970 from 626,000 tons to 1,752,000 tons and to the technical ability of the Company, using modern and efficient machinery, to handle opencast mining contracts. The Company is subject to all the normal factors of operating an opencast mine; the profits can fluctuate as the result of variations in the quantities of coal and overburden and the type of overburden encountered as compared with estimates made at the time of tender. The trend of profits for opencast mining, earth moving and other civil engineering has also been affected by losses incurred in 1961 to 1965, on large civil engineering contracts particularly for sewerage and flood prevention schemes; contracts for sewerage schemes are no longer undertaken. Construction has gradually gained experience particularly in system-built schools to enable it to obtain and to carry out profitable contracts.

Of the Group's turnover in 1970 of £6,832,000 (shown in the Accountants' Report) from opencast mining, earth moving and other civil engineering, 87 per cent. was attributable to opencast mining and the proportion of the relative profits attributable to opencast mining was about the same; in the current year this proportion is expected to increase.

As shown by the Accountants' Report Group profits before taxation for the six months ended 30th June, 1971 amounted to £665,000. During this period the factors mentioned above relating to opencast mining were favourable to the Company. The Directors expect that profits before taxation for the year ending 31st December, 1971 will be not less than £1,100,000.

The Directors are confident of the Group's prospects since its business now has the base of large NCB contracts with potential for extension. The Company is now in a position to use its experience of large earthmoving contracts for expansion into related fields both in the United Kingdom and abroad.

The Directors intend to recommend a final dividend of 10 per cent. in respect of the year ending 31st December, 1971 for payment in March, 1972. In respect of the year ending 31st December, 1972, it is their intention to pay an interim dividend in September, 1972 and to recommend a final dividend for payment in or about March, 1973.

On the basis of profits before taxation of £1,100,000 and a corporation tax rate of 40 per cent., the Directors would have recommended in a full year dividends equivalent to 20 per cent. on the present issued share capital of £1,866,666. The appropriation of profits may therefore be shown as follows:—

	£'000
Profits before taxation	1,100
Less: Corporation tax at 40 per cent.	440
Profits available for shareholders	660
Less: Cost of dividend at 20 per cent. on issued share capital of £1,866,666	373
Retained profits	287

On this basis and at the offer price of 80p the Ordinary shares of the Company are being offered for sale at a price earnings ratio of 11·3 and on a dividend yield of 5·0 per cent.

Yours faithfully,
DEREK CROUCH
Chairman.

ACCOUNTANTS' REPORT

The following is a copy of a report which has been received from Whiting & Partners, the auditors of the Company, and Price Waterhouse & Co., the reporting accountants:—

12 & 13 The Crescent,
Wisbech, Cambridgeshire, PE13 1EF.

3 Frederick's Place,
London, EC2R 8DB.

The Directors,
DEREK CROUCH (CONTRACTORS) LIMITED
HILL SAMUEL & CO. LIMITED

7th October, 1971.

Gentlemen,

We have examined the books and accounts of Derek Crouch (Contractors) Limited ("the Company") and its subsidiaries (referred to collectively as "the Group") for the periods relevant to this report.

Profits

The turnover and profits before taxation of the Group for the ten years and six months ended 30th June, 1971, arrived at on the basis set out below, were as follows:—

Years ended 31st December	*Opencast mining, earthmoving and other civil engineering (including equipment sales)*		*Building construction*		*Total*	
	Turnover £'000	*Profits before taxation* £'000	*Turnover* £'000	*Profits/(losses) before taxation* £'000	*Turnover* £'000	*Profits before taxation* £'000
1961	2,266	135	581	(53)	2,847	82
1962	2,342	113	478	(6)	2,820	107
1963	2,882	162	1,009	(48)	3,891	114
1964	4,230	177	1,639	(9)	5,869	168
1965	3,700	165	1,701	(62)	5,401	103
1966	4,118	452	2,732	(28)	6,850	424
1967	4,569	507	3,456	(53)	8,025	454
1968	4,544	661	4,034	78	8,578	739
1969	4,807	642	2,630	143	7,437	785
1970	6,832	808	3,701	137	10,533	945
Six months ended 30th June, 1971 ..	3,143	608	2,479	57	5,622	665

Notes

1. The turnover of opencast mining operations represents sales after deducting, for certain contracts, amounts retained less amounts released by the National Coal Board ("NCB") in respect of restoration. Turnover of building construction represents construction work certified and in all other cases turnover represents sales to outside customers.

2. The profits (losses), including opencast mining results on the basis set out below, are stated before taxation and after charging all expenses of working and management and after making such adjustments as we consider appropriate.

3. The Company's opencast coal contracts have been for periods of between two and fourteen years. The working of an opencast coal site involves disproportionately high expenditure, (a) at the beginning of a contract in opening up the mine and (b) at the end of the contract in filling in the final area of excavation and restoring the land. The exceptional expenditure at the beginning of the contract is deferred and is charged to costs over the period of the contract on the basis of the contractual tonnage of coal to be extracted. Provision is made and charged to costs on a similar basis for restoration costs in excess of the amounts retained by the NCB (see Note 1); the provision includes a proportion of profit at the same rate as is anticipated for the contract as a whole. At the Llanilid site due to the particular geological conditions and the uneven distribution of previously worked coal seams over the contract areas, certain excavation costs are being equalised over the three-year period which they take to complete and a proportion relating to old workings is being spread over the balance of the contractual tonnage. With these exceptions all income and expenditure relating to opencast mining operations is accounted for in the year in which it arises.

4. Depreciation is charged on a reducing balance basis at rates calculated to write off the net cost of the assets over their estimated useful lives, with the exception that no depreciation is charged on the group's freehold office properties. The amount charged in arriving at the profits (losses) shown above is as follows: 1961 £229,000; 1962 £311,000; 1963 £282,000; 1964 £365,000; 1965 £305,000; 1966 £267,000; 1967 £299,000; 1968 £332,000; 1969 £453,000; 1970 £546,000; six months ended 30th June, 1971 £403,000.

5. The total emoluments (including pension contributions) of the present directors of the company charged in arriving at the profit for the year ended 31st December, 1970 and six months ended 30th June, 1971 were £90,000 and £26,000 respectively. Under the arrangements now in force the remuneration would amount to £87,000 per annum.

هكذا من الأصل

BUSINESS OPPORTUNITIES

PERSONAL

COMPANY NOTICES

AURORA GEAR AND ENGINEERING COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Ordinary Shares will be CLOSED from 18th October, 1971 to the 28th October, 1971, both dates inclusive, for the preparation of the Dividend Warrants.

By Order of the Board,
A. G. KAYWORTH, Secretary.
103-109, Queen Street,
Sheffield, S1 1WJ.

TENDERS FOR GREATER LONDON BILLS

1. The Greater London Council hereby give notice that Tenders will be received at the Chief Cashier's Office, Bank of England, London, EC2R 8AH, on Monday, the 18th October, 1971, at 12 noon for Greater London Bills to be issued in conformity with the Greater London Council (General Powers) Act, 1967, to the amount of £38,000,000.

2. The Bills will be in amounts of £5,000, £10,000, £25,000 or £50,000. They will be dated Thursday, the 21st October, 1971, and will be due 91 days after date, without days of grace.

3. Each Tender must be for an amount not less than £25,000 and must specify the net amount per cent. (being a multiple of one new halfpenny) which will be given for the amount applied for.

4. Tenders must be made through a London Banker, Discount House or Broker.

5. The Bills will be issued and paid at the Bank of England.

6. Notification will be sent by post, on the same day as Tenders are received, to the persons whose Tenders are accepted in whole or in part and payment in full of the amounts due in respect of such accepted Tenders must be made to the Bank of England, Loans Office, by means of cash or by draft or cheque drawn on the Bank of England not later than 1.30 p.m. on Thursday, the 21st October, 1971.

7. Tenders must be made on the printed forms which may be obtained either from the Chief Cashier's Office, Bank of England, London, EC2R 8AH, or from the Council's Offices at The County Hall.

8. The Greater London Council reserve the right of rejecting any Tenders.

W. L. ABERNETHY,
Treasurer to the Council.
The County Hall,
London, S.E.1.
8th October, 1971.

MERSEY DOCKS AND HARBOUR COMPANY

Closing of Transfer Registers

The REGISTERS of the 8¼% Debenture Stock 1976-78 and 8¼% Debenture Stock 1992-95 on which interest is payable on the 15th November, 1971 will be CLOSED from the 28th October to the 14th November, 1971, both dates inclusive.

C. H. CAMPBELL, Chief Accountant.
Dock Office, Liverpool.
11th October, 1971.

CITY OF COPENHAGEN

Swiss Francs 60,000,000 5 per cent. External Loan 1974/83

The requirements of the third annual instalment of the Sinking Fund of 15th November, 1971, have been satisfied by the purchase and tender by the City to Morgan Grenfell & Co. Limited, as Principal Paying Agent, of Swiss Francs 4,000,000 nominal value Bonds.

Morgan Grenfell & Co. Limited.

CITY OF TURIN

8½% Sterling/Deutsche Mark Bonds 1984

S. G. WARBURG & CO. LIMITED announce that the second instalment of Bonds for a nominal value of £330,000 have been purchased for redemption on 15th October, 1971. No drawings of bonds have, therefore, been made.

30, Gresham Street,
London, EC2P 2EB.

GRANGES AB
THE GRANGESBERG COMPANY

8¼% Loan 1987

S. G. WARBURG & CO. LIMITED announce that Bonds for a nominal value of US$500,000 have been purchased for redemption on 15th October, 1971.

30, Gresham Street,
London EC2P 2EB

WILLIAM NUTTALL TRANSPORT LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share TRANSFER Books of the Company will be CLOSED at 9.00 a.m. on the 18th October, 1971 and will remain closed until 29th October, 1971 inclusive for the preparation of the Dividend Warrants.

By Order of the Board,
J. B. BELL, Secretary.
Lancaster House,
70-76, Blackburn Street,
Radcliffe, Manchester.
11th October, 1971.

PLANT AND MACHINERY

CONFERENCE HOTELS

EXHIBITIONS

ART GALLERIES

CLUBS

DEREK CROUCH (CONTRACTORS) LIMITED, CONTINUED

Net Assets

The net assets of the Company and the consolidated net assets of the Group as shown by the interim audited accounts at 30th June, 1971, after making such adjustments as we consider appropriate, were as follows:—

The Company £'000	£'000	£'000		The Group £'000	£'000	£'000
Cost (Note 1)	*Depreciation*		FIXED ASSETS	*Cost* (Note 1)	*Depreciation*	
233	69	164	Freehold properties	286	69	217
1	—	1	Short leasehold properties	1	—	1
6,150	2,381	3,769	Plant, machinery and equipment	6,195	2,450	3,745
6,384	2,450	3,934		6,482	2,519	3,963
			INTEREST IN SUBSIDIARIES			
	78		Shares at cost less amounts written off			
	89		Amounts owing by subsidiaries			
		167				
			INVESTMENTS			
		—	Quoted on an overseas stock exchange at cost (Note 2)			39
			CURRENT ASSETS			
	309		Stocks (Note 3)		483	
	1,939		Debtors and work-in-progress (Note 4)		2,500	
	5		Bank balances and cash		9	
		2,253				2,992
		6,354				6,994
			Less: CURRENT LIABILITIES			
	940		Creditors and accrued expenses		1,660	
	188		Taxation		319	
	56		Dividend		56	
	2,222		Bank overdraft (secured)		1,709	
		3,406				3,744
		2,948				3,250
			Add: AMOUNTS DEFERRED (Note 5)			
	987		Deferred initial expenditure at coal sites		987	
59			*Less:* Provision for coal site restoration (net)	59		
631			Taxation equalisation	632		
	690				691	
		297				296
		3,245				3,548
			Representing: SHARE CAPITAL as increased by the capitalisation of £747,000 of reserves on 7th October, 1971			
		1,867	Ordinary shares of 20p each			1,897
		1,378	RESERVES			1,679
		3,245				3,548

Notes

1. The cost of fixed assets is stated after deducting investment grants amounting to £3,276,000 for the Company and £3,367,000 for the Group of which £973,000 for the Company and £986,000 for the Group have been released to profit and loss account.
2. The market value of the quoted investments amounted to £49,000.
3. Stocks have been stated at the lower of cost and net realisable value.
4. Work-in-progress, which relates to building construction and civil engineering contracts, has been valued at cost, plus in the case of contracts 75 per cent. complete, a proportion of the profit earned to date, less progress payments and provision for losses.
5. Deferred initial expenditure and provisions for restoration at coal sites are on the basis stated in Note 3 to the statement of profits above. The provision for coal site restoration is stated after deducting £1,347,000 in respect of amounts retained for this work by the NCB. The taxation equalisation account is maintained to account for differences between the accounting treatment and the treatment for taxation in respect of deferred initial expenditure and differences between book depreciation of assets and capital allowances for taxation.
6. Group commitments for capital expenditure at 30th June, 1971 amounted to £283,000.
7. Assets and liabilities in foreign currencies have been expressed in sterling at the official rates of exchange ruling at 30th June, 1971.

Dividends

The dividends paid by the Company in respect of each of the five years ended 31st December, 1970 was as follows:—

	1966	1967	1968	1969	1970
Rate of dividend:—					
On issued capital of £160,000	25.0%	27.5%	30.0%		
On issued capital of £1,120,000 (after capitalisation of £960,000 reserves)				5.0%	5.0%
Gross amount	£40,000	£44,000	£48,000	£56,000	£56,000

Accounts

The last audited accounts of the Company prepared for submission to members were those for the year ended 31st December, 1970. Interim accounts for the period to 30th June, 1971 have been prepared, and audited, for the purposes of this report.

Yours faithfully,

WHITING & PARTNERS

PRICE WATERHOUSE & CO.,
Chartered Accountants.

STATUTORY AND GENERAL INFORMATION

Share and Loan Capital

Immediately before 7th October, 1971, the authorised share capital of the Company was £1,500,000 divided into Ordinary shares of £1 each, of which 1,120,000 shares were issued and fully paid. By, or pursuant to, resolutions passed at an Extraordinary General Meeting of the Company on 7th October, 1971, the 1,500,000 Ordinary shares of £1 each were sub-divided into 7,500,000 Ordinary shares of 20p each, the authorised share capital was increased to £2,000,000 and 3,733,330 Ordinary shares of 20p each were issued, credited as fully paid, by way of capitalisation of reserves to the Ordinary shareholders. On that date the Company was also converted into a public company and adopted new Articles of Association.

No share or loan capital of the Company or its subsidiaries is under option or agreed conditionally or unconditionally to be put under option. Save as disclosed herein, no share or loan capital of the Company or its subsidiaries has other than to the Company or another subsidiary within the two years preceding the publication of this Offer for Sale been issued, agreed to be issued or is now proposed to be issued either for cash or otherwise, and no commissions, discounts, brokerages or other special terms have been granted within the said two years by the Company or its subsidiaries in connection with the issue or sale of any part of their respective share or loan capitals.

Articles of Association

The new Articles of Association of the Company, referred to above, contain provisions (*inter alia*) to the following effect:—

(1) The Board shall restrict borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) with a view to securing (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed or secured by the Company and/or any of its subsidiaries (exclusive of moneys outstanding in respect of borrowings by the Company from any such subsidiary or by any such subsidiary from another such subsidiary or from the Company) shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to twice the Adjusted Capital and Reserves (as such expression is defined for the purpose).

(2) Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member who is present in person at a general meeting of the Company shall have one vote and on a poll every Member who is present in person or by proxy shall have one vote for every 20p nominal amount of share capital of which he is the holder.

(3) A Director, notwithstanding his interest, may be counted in the quorum present for the purpose of considering the appointment of himself or of any other Director to hold any office or place of profit under the Company or of arranging the terms of any such appointment, and he may vote on any such appointment or arrangement other than his own appointment or arrangement of the terms thereof.

(4) No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age, nor need the age of any such person or Director or the fact that any such person or Director is over 70 or any other age be stated in any notice or resolution relating to his appointment or re-appointment, nor shall it be necessary to give special notice under the Companies Acts of any resolution appointing, re-appointing or approving the appointment of a Director by reason of his age.

(5) The Board may grant pensions annuities or other allowances and benefits as well in favour of any Director or former Director or the relations connections or dependants of any Director or former Director as otherwise. Provided that no pension annuity or other allowance or benefit (except such as may otherwise be provided in accordance with the Articles of Association) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company (or to a person who has no claim on the Company except as a relation connection or dependent of such a Director or former Director).

Subsidiaries

The subsidiaries of the Company, all of which are wholly-owned, are as follows:—

Company	*Issued share capital*	*Date of Incorporation*	*Country of Incorporation*
Derek Crouch Construction Company Limited	£75,000	17th December, 1965	England
Derek Crouch (Sales) Limited	£1,000	5th October, 1961	England
Derek Crouch (Australia) Pty. Limited	A$30,000	26th June, 1963	Australia

Directors' and Substantial Interests

After completion of contract (3) below, Mr. D. C. H. Crouch, his wife and his family trusts will be beneficially interested in a total of 5,367,691 Ordinary shares of 20p each of the Company (57.5 per cent. of the issued share capital) and The Prudential Assurance Company Limited in 1,284,500 Ordinary shares of 20p each (13.8 per cent. of the issued share capital). The beneficial interests of the other Directors will be as follows:—

Director	*Ordinary shares of 20p each*
J. Grant	233,391
C. A. Sanders	10,297
J. L. Dunn	23,333
H. S. Lister	8,683
R. W. Marshall	8,683

Purchase of shares by Hill Samuel & Co. Limited

Under contract (3) below Hill Samuel & Co. Limited ("Hill Samuel") has agreed, subject to the Council of The Stock Exchange, London granting permission to deal in and quotation for the Ordinary share capital of the Company not later than 20th October, 1971, to purchase from shareholders 1,850,000 Ordinary shares of 20p each at a price of 78·2p per share and to offer such shares for sale to the public. Hill Samuel will pay an underwriting commission of 1½ per cent. on the offer price of each share, a fee to the brokers and its own legal expenses. The costs, charges and expenses of and incidental to this Offer for Sale including the preparation, printing, publication and advertising of this Offer for Sale, the increase of the Company's authorised share capital, the adoption of new Articles of Association, all accounting expenses, the Company's own legal expenses, and the fees payable to The Stock Exchange, London, to receiving bankers and to Hill Samuel, are estimated to amount to £80,000 and are payable by the Company.

Taxation

Clearances under Section 252 of the Income Tax Act 1952 and Section 289 of the Income and Corporation Taxes Act 1970 have been obtained, as appropriate, for all relevant periods up to 31st December, 1970 in respect of the Company and its subsidiaries. Under Contract (3) below, Mr. D. C. H. Crouch has agreed to indemnify the Company in respect of any depletion of the assets of the Company or of its subsidiaries by reason of certain liabilities for taxation and estate duty.

The Directors have been advised that, on the information available to them, immediately following the completion of this Offer for Sale the Company will cease to be a close company as defined in the Income and Corporation Taxes Act 1970.

Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into within the period of two years immediately preceding the date of this Offer for Sale and are or may be material:—

(1) Dated 25th March, 1971 being a letter agreement between Construction (1) and Mr. R. W. Marshall (2) whereby he agreed to serve Construction for a period of five years from 20th March, 1972 as a consultant at a salary of £1,600 per annum.

(2) Dated 4th October, 1971 (varying the terms of a letter agreement dated 27th September, 1968) between the NCB (1) and the Company (2) whereby within a period of six months after completion of the Radar North contract (or the completion of such later contract or contracts in the performance of which the NCB shall have required the Company to operate the 1550W drag-line referred to in the Chairman's Letter above) the NCB may require the Company to hire the 1550W drag-line to the NCB at a rental of £200,000 per annum, for use on any opencast coal contract for which the NCB has invited the Company to tender.

(3) Dated 7th October, 1971 between Mr. D. C. H. Crouch (1) Mr. D. C. H. Crouch in respect of 850,000 Ordinary shares, The Prudential Assurance Company Limited in respect of 833,000 Ordinary shares, The Public & General Holdings Company, Limited in respect of 127,000 Ordinary shares, City and International Trust Limited in respect of 20,000 Ordinary shares and General Consolidated Investment Trust Limited in respect of 20,000 Ordinary shares (2) the Directors (3) the Company (4) and Hill Samuel (5), being the contract referred to above for the purchase of the shares now being offered for sale.

(4) Dated 7th October, 1971 between the Company (1) and Mr. D. C. H. Crouch (2) whereby he agreed to serve the Company as a Joint Managing Director until 31st December, 1976, at a salary of £20,000 per annum with effect from 1st October, 1971.

(5) Dated 7th October, 1971 between the Company (1) and Mr. J. Grant (2) whereby he agreed to serve the Company as a Joint Managing Director until 31st December, 1976 at a salary of £16,500 per annum with effect from 1st October, 1971.

(6) Dated 7th October, 1971 between the Company (1) and Mr. D. C. H. Crouch (2) whereby the Company agreed to sell to Mr. D. C. H. Crouch the freehold farm known as Wretton Farm, Stoke Ferry, Norfolk, comprising approximately 1,200 acres for the sum of £160,000 being the value placed thereon at 12th August, 1971 by Cluttons, Chartered Surveyors, 5 Great College Street, London, SW1P 3BQ.

(7) Dated 7th October, 1971 between the Company (1) and Mr. D. C. H. Crouch (2) whereby the Company agreed to sell to Mr. D. C. H. Crouch the freehold house and grounds known as Newcroft, 397 Eastfield Road, Peterborough, for the sum of £13,000 being the value placed thereon at 13th September, 1971 by Arthur E. Craig & Co., Valuers, of 5 Broadway Buildings, Peterborough, PE1 1RT.

Litigation

Neither the Company nor any subsidiary is engaged in or has, so far as the Directors are aware, any litigation or claim of material importance pending or threatened against it.

Consents and Documents

Whiting & Partners and Price Waterhouse & Co. have given and have not withdrawn their written consents to the issue of this Offer for Sale with the inclusion therein of their report and the references thereto and Cluttons and Arthur E. Craig & Co. have given and have not withdrawn their written consents to the issue of this Offer for Sale with the references therein to their respective valuations in the form and context in which they are included. The above-mentioned consents, a statement of the adjustments made by Whiting & Partners and Price Waterhouse & Co., in arriving at the figures set out in their report and the reasons therefor, and copies of the contracts listed above were attached to the copy of this Offer for Sale delivered to the Registrar of Companies for registration.

Copies of the documents delivered to the Registrar of Companies, the Accountants' Report, the above-mentioned valuations, the Memorandum and new Articles of Association of the Company and the audited accounts of the Company for the two years and six months to 30th June, 1971, may be inspected at the head office of the Company, Eye, Peterborough, PE6 7UW, and at the offices of Slaughter and May, 35 Basinghall Street, London, EC2V 5DB, during usual business hours on any weekday (Saturdays excepted) for a period of fourteen days from the date of publication of this Offer for Sale.

Dated 7th October, 1971.

FORM OF APPLICATION

THE APPLICATION LIST WILL OPEN AT 10 a.m. ON THURSDAY, 14th OCTOBER, 1971 AND WILL CLOSE ON THE SAME DAY.

This Form should be filled in and forwarded to Barclays Bank Trust Company Limited, New Issues Division, P.O. Box 78, Malvern House, 72 Upper Thames Street, London, EC4P 4BJ, together with a cheque for the full amount payable on application, so as to arrive not later than 10 a.m. on Thursday, 14th October, 1971. Cheques, which must be drawn on a bank in and be payable in England, Scotland or Wales, must be made payable to "Barclays Bank Trust Company Limited" and be crossed "Not Negotiable" and are liable to be presented for payment on receipt. A separate cheque must accompany each application.

HILL SAMUEL & CO. LIMITED

Offer for Sale

1,850,000 Ordinary shares of 20p each at 80p per share

(Payable in full on application) of

Derek Crouch (Contractors) Limited

To: HILL SAMUEL & CO. LIMITED.

Gentlemen,

Number of shares for which application is made ★	Amount of cheque enclosed ★
	£

★Applications must be for a minimum of 200 shares; applications for up to 2,000 shares must be in multiples of 200 shares, between 2,000 and 5,000 shares in multiples of 500 shares, between 5,000 and 25,000 shares in multiples of 1,000 shares, and above 25,000 shares in multiples of 5,000 shares.

I/We enclose a cheque payable to Barclays Bank Trust Company Limited for the above-mentioned sum, being the amount payable in full on application for the stated number of the above Ordinary shares of 20p each at 80p per share and I/we offer to purchase that number of shares and I/we agree to accept the same or any smaller number in respect of which this application may be accepted upon the terms of your Offer for Sale dated 7th October, 1971 and subject to the Memorandum and Articles of Association of the Company. I/We request that you send to me/us a fully paid renounceable Letter of Acceptance in respect of such Ordinary shares, together with a cheque for any amount overpaid, by post at my/our risk to my/our address first given below.

An applicant who is unable to make the following Declaration should delete it and consult an Authorised Depositary* (or an Approved Agent in the Irish Republic†) through whom lodgement should be effected.

I/We declare that I am/we are not resident outside the Scheduled Territories‡ and am/are not acquiring the Ordinary shares as the nominee(s) of any person(s) resident outside those Territories.

I/We understand that due completion and delivery of this Application Form accompanied by a cheque will constitute a representation that the cheque will be honoured on first presentation. I/We acknowledge that Letters of Acceptance and cheques for excess application moneys are liable to be held pending clearance of applicants' cheques.

______________ Signature. Dated ______________ October, 1971.

Please use BLOCK LETTERS

← *Surname and designation (Mr., Mrs., Miss or Title)*
← *Christian Name(s) (in full)*
← *Address (in full)*

Please use BLOCK LETTERS

2. Signature ______________ 3. ______________
Surname and designation (Mr., Mrs., Miss or Title) ______________
Christian Name(s) (in full) ______________
Address (in full) ______________

ALL JOINT APPLICANTS MUST SIGN

A Corporation should sign under the hand of a duly authorised official who should state his representative capacity.

No receipt will be issued for the payment on application but an acknowledgment will be forwarded in due course through the post by fully paid renounceable Letter of Acceptance and/or the return of application moneys or any surplus thereof.

Exchange Control Act 1947

* Authorised Depositaries are listed in the current issue of the Bank of England's Notice E.C. 1 and include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom or the Channel Islands.

† An Approved Agent in the Irish Republic is defined in the current issue of the Bank of England's Notice E.C. 10 (Third Issue) (as amended) as a Bank in the Irish Republic, a member in the Irish Republic of a Stock Exchange in the Irish Republic or of the Provincial Brokers' Stock Exchange or a Solicitor practising in the Irish Republic.

‡ The Scheduled Territories at present comprise:—The British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Protectorates and Protected States, Bahrain, Iceland, the Hashemite Kingdom of Jordan, Kuwait, Libya, Qatar, South Africa and South West Africa, Western Samoa, the People's Democratic Republic of Yemen.

Examples of amounts payable on application

200 shares	£160	1,000 shares	£800
400 shares	£320	2,000 shares	£1,600
600 shares	£480	2,500 shares	£2,000
800 shares	£640	5,000 shares	£4,000

Call to modify rural bus service plans

BY ELSBETH GANGUIN

THE Passenger Vehicle Operators Association has asked the Government to modify its proposals regarding bus services in rural areas, which were published by the *Ministry of Transport* last July.

The basis of these proposals was that private cars and other small vehicles should be free to carry passengers for payment; that in certain circumstances, the licensing of bus services should cease, or be streamlined, and that excursion and tour services should be removed from all control.

In attempting to improve transport services in some rural areas, the Government was in danger of destroying the service at present provided in many other areas, in the association's view.

Protecting public

"It is to protect the public that we want the Government to modify its proposals. Certainly we favour the use of new types of service where this will benefit the public, but, if there is no possible control of newcomers, the overall level of public transport can only decline," declares Mr. Denis Quin, director of the association.

If 5 per cent. of the passengers using a service found alternative means of transport, the remaining 95 per cent. would be in danger of losing their service. Many of these might not be able to find any other way of travel.

"To cater for this majority, *central* and *local government* would have to pay a substantial subsidy, which is not the solution the industry seeks. It is not realised that the loss of even 15 regular passengers will result in a loss of revenue of the order of £1,000 a year."

The association calls for a specially appointed official in every county council charged with the duty of co-ordinating transport facilities. "He could assist in obtaining or varying licences as circumstances required, but they would remain under the control of the Traffic Commissioners."

Proper co-ordination of service could reduce the need for financial support from the Government to a minimum or eliminate it altogether.

If there were to be a free-for-all, local free enterprise bus and coach operators would be deprived "of the opportunity to help," while a modified licensing system was the only possible protection for fare paying passengers or tourists on excursions and tours. "We do not want in our industry the sort of difficulties that have arisen during the summer for many people booking continental holidays and cruises."

Antiquated town planning "puts up house prices"

MR. FRANK Sanderson, managing director of Bovis Construction, has condemned Britain's "antiquated town planning machinery" and the immense fluctuation in available funds as being the two main reasons for the upward spiral in house prices.

Writing in the current edition of Building Societies Gazette Mr. Sanderson says that the total activity "of this major and socially vital industry is still being forced through a funnel, the tapered end of which is an archaic and amateur planning machine."

Trivialities

Planning applications were being rejected on trivialities, on grounds not substantial within planning law and rarely with a feasible alternative suggested. With a rejected application the developer entered into a prolonged appeals procedure with determination likely some 12 months after the first refusal.

Major variations of procedure and certainly of philosophy were found even in adjoining authorities so that for the developer land acquisition and town planning remained a perpetual guessing game.

"It is impossible to quantify on a national scale the additional cost of housing attributable to defects in our planning machinery but examples are to hand which demonstrate that on specific projects 7 per cent. of sales value can be directly apportioned to this cause," Mr. Sanderson claimed.

"Given stability, the building industry could begin seriously to tackle the real problems of cost control with an efficiency impossible in the stuttering conditions of the last 20 years," he went on.

APPOINTMENTS

Lord Robens joins Board of AAH

Lord Robens, chairman of Vickers and Johnson Matthey and Co. and former chairman of the National Coal Board, has been appointed to the Board of AAH, the fuel distribution, transport and engineering group which is joint owner, with the NCB, of the British Fuel Company.

Lord Robens has been a director of British Fuel Company since its formation in 1966.

★

Dr. B. H. Wormsley has joined the Board of HICK HARGREAVES AND CO. as commercial director. Hick Hargreaves is a subsidiary of Electrical and Industrial Securities.

★

A London antique dealer, Mr. Charles L. de Beaumont, has been appointed chairman-elect of the INTERNATIONAL CONFEDERATION OF ANTIQUE DEALERS' ASSOCIATIONS. He will take over the chairmanship next summer.

★

Mr. John Paterson has been appointed chairman of SOUTHERN OCEAN SHIPYARD. Mr. Paterson, who joined the Board earlier this year, is also chairman of the Bifurcated Engineering Group, which has a minority interest in the company. He succeeds the late Mr. Frank King.

Mr. C. A. Davies succeeds Mr. King as managing director and will continue as secretary for the time being. Mr. Derek Redfearn, previously general manager, has been appointed to the Board as works director.

★

Mr. Edward H. Curry, general manager of DRALLIM INDUSTRIES, has been appointed deputy managing director of the group's three operating subsidiaries, Drallim Controls, Drallim Tuba Couplings and Cargo Aids.

★

Dr. David J. Saunders has joined the Board of RUPERT TAYLOR AND PARTNERS, noise control consultants, as research director while retaining his post as lecturer at the University of Salford.

★

Mr. M. C. Purbrick, chief civil engineer, BRITISH RAIL, Scottish region, has been appointed chief civil engineer, London Midland region. He succeeds Mr. W. F. Beatty, who is retiring.

★

Mr. Eric R. Izod has been appointed an executive director of INDUSTRIAL MERGERS (Industrial and Commercial Finance Corporation). Mr. Michael Richardson and Mr. Nigel Olsen have been appointed managers of that company.

Mr. Roger Plant, who previously managed the investment and mergers department with Mr. Izod, will now head the ICFC quoted investments department.

★

Mr. S. G. Chadwick has been appointed managing director of PARK-REMAX. He was previously marketing director. The new marketing director is Mr. E. Clarke.

★

Mr. Laurence Viney has been appointed sales director of HAZELL WATSON AND VINEY (British Printing Corporation). He was previously sales director (periodicals) of Waterlow and Sons.

★

Mr. R. O. Gerrard has been made chairman and joint managing director of FRAM GERRARD. Mr. H. E. Watkin becomes joint managing director.

Three members of staff have been promoted to the Board. They are: Mr. M. J. Foden (Marketing and Sales); Mr. F. L. Hunter (Construction); and Mr. S. J. C. McWilliam (Commercial).

★

Mr. David J. Mitchell, who was home counties area executive for Berni Inns, has been appointed catering director of JOSHUA TETLEY AND SON (Allied Breweries).

Office conditions show steady improvement

BY ELSBETH GANGUIN

OVER the past few years, the annual reports on the working of the Offices, Shops and Railway Premises Act, 1963, have been reflecting a steady improvement in working conditions. While initially there were reports of insanitary, crowded, and dirty offices or shops, the 8m. employees in some 755,000 workplaces (one-third of the working population) covered by the Act, seem now much better cared for.

There were only 155 prosecutions last year (175 a year earlier), according to the latest annual report, for 1970, published to-day.

Standards in Government offices and local authority premises were generally adequate. In factory offices, standards varied (reflecting to some extent the conditions in factories), while some fuel storage premises were still substandard, states the report. Steady progress had been made in raising standards in railway premises.

As for complaints, they concerned mainly temperature and ventilation. "There seemed less inclination to complain about a low standard of cleanliness, which is regarded by many inspectors as among the contraventions most frequently found."

In many premises the standard of decoration was found to be poor, causing cleaning difficulties.

Lack of adequate heating was most often found in old premises, while overheating during the summer was mainly in modern buildings with large areas of glass.

Heat - producing office machinery was often installed in rooms without sufficient ventilation.

"Antique"

The need for the Hoists and Lifts Regulations of 1968 was confirmed by the many defects found during inspections, and "a number of antique pieces of apparatus had come to light."

There were 16,871 reported accidents in premises covered by the Act, an 11 per cent. drop against the preceding year. The report says that it is not clear why there has been a drop in accidents, and that it is too early to identify any long-term trend.

The Offices, Shops and Railway Premises Act, 1963, report for 1970; SO, 22½p.

Bootle go-ahead for new computer centre

By Our Own Correspondent

PLANNING PERMISSION has been granted for the development of a one-acre site for a computer centre on the Netherton industrial estate near Bottle, Lancs. It will house the centre for the Eight Banks Computer Group, which includes the Liverpool Trustee Savings Bank.

Work will start later this month on the scheme, which will cost more than £300,000 and will include a 15,000 square feet single-storey block with car parks and landscaping.

It has been designed by architects Gilling, Dodd and Partners, of Liverpool.

More standardisation of school uniforms plan

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MOVES which would divert the market for school uniforms away from individual "school stockists" to big retailing organisations have received a warm welcome from parents, according to the Consumers' Union yesterday.

The union, based at Wallington in Surrey, is campaigning for a standard range of uniforms for all State schools. The range could then be sold in multiple stores all over the country.

Among letters of support from parents and teachers which have arrived at Wallington, one from a head-teacher says: "It is unnecessary and indefensible that schools should determine supplies. If the uniform is fairly standard and unfussy it should be perfectly possible for parents to shop *around*."

However, the "local monopoly" of appointed school stockists is not the only target. The union also wants the standard range to be a colourful and stylish replacement for the shapeless flannel adhered to by many schools.

Several head-teachers have said they will call meetings of parents to collect ideas on colour and style. Meanwhile, Shiela Kemp, the union's textile consultant, is preparing a specification to lay before education authorities.

10% RISE IN TEXTILE SALES

There was a 10.4 per cent. increase in the total sales of the wholesale textile trade in August compared to the same month last year, according to figures issued by the Textile Distributors Association.

The monthly statistics of sales and stocks showed there was *45.9* per cent. increase in the sales of women's knitted outer wear, blouses and skirts and increases of over 15 per cent. in household textiles, floorcoverings and boots and shoes. Total sales for the eight months to the end of August were *9.8* per cent. upon 1970.

Hoveringham plans sand works near rowing centre

BY OUR OWN CORRESPONDENT

NOTTINGHAM, Oct. 10.

HOVERINGHAM GRAVELS is seeking permission to use a further 330 acres at Holme Pierrepont, near Nottingham, for sand and gravel works.

The site is by the side of the River Trent and near to the £1m. international rowing course and watersports centre being developed by Nottinghamshire County Council and other authorities.

After the sand and gravel has been extracted, the company intends to provide recreational facilities in the area to help make the watersports centre the most comprehensive of its kind in Britain.

The plans would include a site for competition sailing, a dinghy basin, an area for recreational sailing, a car park, a picnicking area, and wildlife reserve. There would also be an extensive tree planting scheme.

A spokesman for the company said it might be 15 years before the extraction work was finished but it was hoped the leisure project could begin to go ahead as the various stages of the extraction work were completed.

MUTUAL FINANCE NAME CHANGED

Mercantile Credit has changed the name of its banking subsidiary, Mutual Finance, to Mercantile Credit Finance—Bankers.

هكذا من الأصل

Application has been made to the Council of The Stock Exchange, London for permission to deal in and for quotation for the issued share capital of Malaya General Company, Limited whose name will be changed, upon such permission and quotation being granted, to Yule Catto & Co. Limited.

YULE CATTO & CO. LIMITED

(Incorporated under the Companies Acts, 1862 to 1900.)

This Advertisement is not an invitation to any person to subscribe for or purchase any shares but is issued in compliance with the regulations of the Council of The Stock Exchange, London, for the purpose of giving information to the public with regard to the above-named company ("the Company"). Quotation for the share capital of the Company was suspended on 12th August, 1971 upon publication of the terms of Offers to be made by the Company for the whole of the issued share capital of a private company presently called Yule, Catto & Co. Limited, but whose name will be changed to Yule Catto (Secretaries and Agents) Limited ("Y.C."). The Offers for Y.C. became unconditional on 8th October, 1971 subject only to the application to the Council of The Stock Exchange, London, mentioned above being granted. The information in this Advertisement is given as far as practicable on the following bases:—
(i) that the above condition has been satisfied and that Y.C. is a wholly owned subsidiary of the Company;
(ii) that the changes or name involved in the merger have become effective; and
(iii) that the approval of the Court has been given to reduce the capital of the Company from £1,632,000 to £1,402,686.99 by cancelling the 2,293,131 Ordinary shares held by Y.C. and thereafter increasing the capital to £1,632,000 by the creation of 2,293,131 Ordinary shares of 10p each.
The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Advertisement misleading.

SHARE CAPITAL

Authorised		Issued and fully paid
£1,632,000	in 16,320,000 Ordinary shares of 10p each	£1,545,956*

* Following the approval of the Court, referred to above, to the cancellation of 2,293,131 Ordinary shares in the Company at present held by Y.C., the issued share capital will be reduced to £1,316,642.90.

The Company and its subsidiaries ("the Group") have outstanding bank indebtedness which, at 17th September, 1971, amounted to £233,722 of which £47,053 was secured. In addition a subsidiary had outstanding at that date other secured indebtedness amounting to £85,000, repayable over a period of six years from 1973. A subsidiary has also guaranteed the liabilities of another subsidiary (including £51,000 due in respect of a purchase of shares and a contingent liability of £20,000), of an associated company and of a third party to a maximum extent of £89,500. Save as aforesaid, the Company and its subsidiaries have outstanding no bank overdrafts or other similar indebtedness, mortgages, charges, hire purchase commitments or, except in the ordinary course of business, any guarantees or other material contingent liabilities.

DIRECTORS

STEPHEN GORDON BARON CATTO OF CAIRNCATTO *(Chairman)*, 41, William Mews, Lowndes Square, London, S.W.1. *(Non-executive)*.
WILLIAM EWAN CATTO *(Deputy Chairman)*, Bray Lawn, Fishery Road, Bray-on-Thames, Maidenhead, Berkshire.
PHILIP JOHN QUARLES BACK, The Dyke, Graemesdyke Road, Berkhamsted, Hertfordshire.
SIR HENRY BIRKMYRE, Bart., Springbank, Maple Avenue, Cooden, Bexhill-on-Sea, Sussex. *(Non-executive)*.
RICHARD DAVEY HEMPSON, Old Friars, Portsmouth Road, Artington, Guildford, Surrey. *(Non-executive)*.
SIR DENYS COLQUHOUN FLOWERDEW LOWSON, Bart., Brantridge Park, Balcombe, Sussex. *(Non-executive)*.
CYRIL HORACE FREDERICK PIERREPONT, The Guare, Pursers Lane, Peaslake, Guildford, Surrey. *(Non-executive)*.
CHARLES FREDERICK MELVILLE RAWLINSON, The Old Forge, Arkesden, Saffron Walden, Essex. *(Non-executive)*.
SIR GEORGE ALEXANDER STRACHAN SIM, Lashenden, Biddenden, Ashford, Kent. *(Non-executive)*.
CHARLES IAN TURCAN, Oxey Barn, Woodside, Lymington, Hampshire.

SECRETARY AND REGISTERED OFFICE

RAYMOND ARTHUR KING, 72, London Wall, London, EC2M 5NH.

REGISTRARS

YULE CATTO (SECRETARIES AND AGENTS) LIMITED, 72, London Wall, London, EC2M 5NH.

SOLICITORS

LINKLATERS & PAINES, Barrington House, 59/67, Gresham Street, London, EC2V 7JA.

AUDITORS AND REPORTING ACCOUNTANTS

WEST, WAKE, PRICE & CO., Chartered Accountants, 6, Broad Street Place, London, EC2M 7JT.

BANKERS

MERCANTILE BANK LIMITED, 15, Gracechurch Street, London, EC3V 0DU.
MORGAN GRENFELL & CO. LIMITED, 23, Great Winchester Street, London, EC2P 2AX.

BROKERS

ROWE & PITMAN, Woolgate House, Coleman Street, London, EC2R 5BL, and The Stock Exchange, London.
GEORGE HENDERSON & CO., 11, Old Jewry, London, EC2R 8DR and The Stock Exchange, London.

MERGER

1. The merger of Malaya General Company, Limited and Y.C. resulting in the enlargement of the Company followed Offers made by the Company for the whole of the issued share capital of Y.C. by means of an Agreement, dated 24th August, 1971 and made between, *inter alia*, certain shareholders of Y.C. and the Company. The Offers, which consisted of 32 Ordinary shares of 10p each in the Company for every 10 0 per cent. Cumulative Preference shares of £1 each in Y.C. and 12 Ordinary shares of 10p each in the Company for each Ordinary share of £1 in Y.C., have been accepted by the holders of over 90 per cent. of both classes of Y.C. share capital. It is the intention of the Company to exercise its powers under Section 209 of the Companies Act 1948 to acquire the outstanding shares in Y.C. At an Extraordinary General Meeting of the Company held on 16th September, 1971, *inter alia*, the Resolutions necessary for the implementation of the acquisition were passed. In the negotiations leading to the merger, the Company was advised by Robert Fleming & Co. Limited and Y.C. was advised by Morgan Grenfell & Co. Limited.

HISTORY AND BUSINESS

2. The Company was incorporated in England on 16th June, 1908, under the name Malaya General Company, Limited, to acquire and operate a rubber estate in Malaya. The Company acquired in 1909 the whole of the issued share capital of Sedenak Rubber Estates Limited ("Sedenak") and, in 1960, 99.8 per cent. of the issued share capital of Mengkibol (Central Johore) Rubber Company Limited ("Mengkibol"), both of which are incorporated in England and operate rubber estates in Malaysia. Upon the Company's change of name becoming effective, Mengkibol will simultaneously change its name to Malaya General Company Limited. The Company has also, since 1966, owned the whole of the issued share capital of Central Johore Building & Development Co. Limited ("C.J.B.D."), a company incorporated in England which holds land for future development in Malaysia. C.J.B.D. has not hitherto made any contribution to Group profits. The Company and the aforementioned subsidiaries are hereinafter referred to as "the plantation group". On 10th September, 1971, a Special Resolution was passed authorising the change of the Company's name to Yule Catto & Co. Limited.

The plantation group owns a total of 16,074 acres of land in Johore, Malaysia, including three separate estates at Kluang, Sedenak and Rengam. 12,063 acres are planted with rubber, almost entirely replanted since 1948, of which 10,742 acres of rubber are mature. Since 1966, 2,210 acres at Sedenak have been planted with oil palms, and a further 418 acres at Rengam are in the process of being planted with oil palms, of which the first plantings came into bearing in 1971 and the remainder will come into bearing progressively over the next five years. The oil palm plantings have been effected without reducing the yield of rubber. The balance of the plantation group's acreage is accounted for by buildings, roads, undeveloped land and unproductive areas.

3. Y.C. was incorporated in England on 22nd September, 1920, to take over the business of George Yule & Co. which had been in existence since 1863. Y.C. was controlled by members of the family of the late Lord Catto and was originally wholly engaged in acting as London agents for industrial undertakings in India and the East; however, whilst it still acts in this capacity for a number of Indian enterprises, the income from this activity no longer makes a significant contribution to profits. Y.C. has a portfolio of investments, primarily in British companies, including 4 per cent. of the equity of Morgan Grenfell & Co. Limited, merchant bankers, 14 per cent. of the Ordinary capital and 35 per cent. of the Preference capital (which together represent 21 per cent. of the voting rights) of Assam Consolidated Tea Estates Limited, operators of tea and coffee plantations, and 25 per cent. of the equity of Andrew Yule & Co. Limited, the Indian group with which Y.C. has been associated since its inception, which acts as an investment holding and management company in India. Y.C. also holds 2,293,131 Ordinary shares in the Company; a Special Resolution was passed by the Company on 10th September, 1971, authorising the cancellation of these shares, subject to the sanction of the Court. Y.C. and its subsidiaries are hereinafter referred to as "the Y.C. Group".

The valuation of Y.C.'s investment portfolio, excluding its investment in the Company, shown in the consolidated balance sheet at 30th June, 1971, is made up approximately as follows:—

The three companies specified above, including Preference capital ..	63 per cent.
Other quoted securities	22 per cent.
Other unquoted securities	15 per cent.

Y.C. also has a group of United Kingdom subsidiary companies, the principal of which is Williaam Cox Limited ("Williaam Cox"), which became a subsidiary of Y.C. in 1967 and Y.C. now controls 79.4 per cent. of its issued capital. In 1970, Williaam Cox acquired the whole of the issued share capital of P.D.I. Limited ("P.D.I.") whose basic business is the same as that of Williaam Cox. The pre-tax profits earned by these two companies since 1967 are as follows:—

	Williaam Cox years ended 30th June £	P.D.I. years ended 31st March £
1967	55,852	22,518
1968	52,121	27,258
1969	70,939	29,130
1970	83,363	22,507
1971	95,903†	41,039*

† Before deducting interest on the purchase consideration for P.D.I. amounting to £8,910 * Pro-rated from a 13 month period.

Williaam Cox and its subsidiaries ("the Williaam Cox Group") are moulders, fabricators and stockists of thermoplastic materials which include acrylic and PVC materials in particular. Principal products include the "Coxdome" range of roof lights and "Phonedome" acoustic telephone hoods. The Williaam Cox Group is prominent in the developing field of thermoplastic large area enclosure glazing. The Williaam Cox Group also specialises in the vacuum forming and precision machining of thermoplastic components with particular reference to industrial and medical engineering applications.

It is estimated by the Directors of Williaam Cox that the Williaam Cox Group holds between 15 per cent. and 20 per cent. of the United Kingdom market for thermoplastic roof lights.

Y.C.'s wholly-owned subsidiary Ewart Properties (Malaysia) Sdn. Berhad (which is incorporated in Malaysia) acts as agents in Singapore for the Company and others, and the other active subsidiaries (Bosham Motor Co. Limited and Unicorn Finance & Development Limited ("Unicorn")) are engaged in the holding and management of investments and property. Both the latter subsidiaries are incorporated in England.

The earnings after taxation of the Y.C. Group for the year ended 30th June, 1971, other than the dividend income from the Company, were divided approximately as follows:—

Thermoplastic fabrication	72.5 per cent.
Investment and other income	27.5 per cent.

PROFITS AND DIVIDENDS

In his statement circulated on 10th May, 1971, with the last annual report and accounts of the Company the then Chairman of the Company said that the fall in the market price for rubber during the current year, together with the ending of an advantageous forward contract had resulted in a decline in the earnings of the plantation group since 31st October, 1970. On 24th August, 1971, the then Directors of the Company forecast that the profits after taxation (and after charging the sum of £37,090, being the estimated net cost of planting oil palms) of the plantation group for the year ending 31st October, 1971, would amount to not less than £120,000 (1970 £253,009). The profits after taxation of the Y.C. Group for the year ended 30th June, 1971, amounted to £125,240, which included £40,060 received by way of dividend from the Company.

On 15th September, 1971, the Company paid a special interim dividend of 8½ per cent. in respect of the year ending 31st October, 1971. It is intended, subject to unforeseen circumstances, to pay a final dividend of 4 per cent., in order to bring the total dividend for the year to 12½ per cent. Accounts will be made up for the Group to 31st October, 1971, and annually to 31st October thereafter.

The Directors consider that it is too early to make any estimate of profits or dividends for the year ending 31st October, 1972.

DIRECTORS, MANAGEMENT AND POLICY

Mr. W. E. Catto, Sir Henry Birkmyre, Bart., and Mr. C. H. F. Pierrepont have all been Directors of the Company for over 10 years and have considerable experience in the rubber industry. Lord Catto, Mr. W. E. Catto, Sir Alexander Sim and Mr. C. I. Turcan are all Directors of Y.C. and Mr. P. J. Q. Back is Managing Director of Williaam Cox. Lord Catto and Mr. C. F. M. Rawlinson are Managing Directors of Morgan Grenfell & Co. Limited and Sir Denys Lowson, Bart., and Mr. R. D. Hempson are respectively Chairman and Managing Director of The Anglo-Thai Corporation Limited. Sir Denys Lowson is also a Director of several prominent investment trust companies. Messrs. W. E. Catto and C. I. Turcan are full-time executive Directors of the Company.

It is the intention of the Board to continue the existing businesses of the Group and to expand its industrial activities both in the United Kingdom and abroad, although no specific acquisitions are contemplated at the present time. The Board intends to manage the Group's portfolio of investments with a view to obtaining the maximum long term capital appreciation. The Board does not intend to restrict the proportion of the portfolio which may be invested in any one security or to make any restriction on funds which may be invested in unquoted securities.

PROPERTIES

Details of properties owned by the Company and its subsidiaries are as follows:—

	Situation	Tenure	Description and approximate area
The Company	Rengam, Johore	Held under Government grants	Plantations: 0,130.5 acres
Mengkibol	Kluang, Johore	Held under Government grants	Plantations: 2,442.5 acres
Sedenak	Sedenak, Johore	Held under Government grants	Plantations: 7,982.5 acres
C.J.B.D.	Kluang, Johore	Held under Government grants	Plantations and development land: 1,217.8 acres
Williaam Cox	The Bothy, Tring, Hertfordshire	Freehold	Factory and offices (42,009 sq. ft.); site area: 2.08 acres
Williaam Cox	Bedford Street, Berkhamsted, Hertfordshire	7-year lease from 6th September, 1997 at £1,600 per annum	Factory: 4,009 sq. ft.
P.D.I.	45, Hanley Street, Birmingham	Freehold	Factory: 16,000 sq. ft.
P.D.I.	35, Hampton Street, Birmingham	21-year lease from 24th June, 1958 at £2,650 per annum	Factory and offices: 15,000 sq. ft.
Y.C.	72, London Wall, E.C.2	21-year lease from 25th March, 1964 at £8,420 per annum	Offices, basement and garage: 3,440 sq. ft.
Unicorn	Mildenhall, Suffolk	Freehold	Ten houses leased to the United States Air Force until 1973

PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE ASSETS OF THE COMPANY AND Y.C.

A pro-forma consolidation at book values of the net tangible assets of the Company and Y.C. and their subsidiary companies as shown by their respective audited Consolidated Balance Sheets at 30th April, 1971 and 30th June, 1971, after eliminating the book value (£151,852) of Y.C.'s holding of 2,293,131 Ordinary shares of the Company, would appear as follows:—

	£	£	£
Fixed Assets			
Plantation estates		1,301,714	
Freehold land, buildings and houses		296,923	
Short leasehold property		2,517	
Plant, machinery, vehicles, etc.		151,718	1,752,872

Notes:—
1. Fixed Assets other than freehold property are at cost less depreciation of:—Y.C. £19,072, Y.C. Group £120,780.
Freehold property is at cost, £174,704, and at valuation in 1964, £61,000 and property having a book value of £97,500 was professionally valued in 1970 at £117,500. No provision has been made for any liability to taxation which might arise on this surplus.
2. Investments are at, or under, cost.
At 30th June, 1971 the Y.C. Group's quoted investments had a market value of £855,590 and its unquoted investments were valued by the Directors at £680,212.
Included in quoted investments is a holding of 2,293,131 Ordinary shares of 10p each of Malaya General having a book value of £151,852 and a market value of £389,832.
3. A loan of £85,000, which is secured, is repayable over a period of six years from 1973 and a further loan of £51,000 is repayable in equal instalments in November, 1971 and November, 1972.
4. At 30th June, 1971 Y.C. had guaranteed the liabilities of a subsidiary company (including a contingent liability of £20,000), of an associated company and of a third party to a maximum extent of £89,500. Y.C. is a party to a warranty agreement with the purchaser of an unquoted investment previously held; the Directors are of the opinion that no liability will accrue from this.
5. At 30th June 1971 the Y.C. Group's capital commitments amounted to £29,500.

IV. DIVIDENDS
The rates of dividends paid or proposed in respect of the 10 years ended 30th June, 1971 are shown in column (i) of the statement included in paragraph II.

V. ACCOUNTS
No audited accounts have been made up by Y.C. or the subsidiaries since 30th June, 1971.

Yours faithfully,
WEST, WAKE, PRICE & CO.,
Chartered Accountants.

DIRECTORS' AND OTHER INTERESTS

(a) The interests of the Directors of the Company and their families as defined by The Stock Exchange, London, in the Ordinary shares of the Company and its subsidiaries are as follows:—

	THE COMPANY Beneficial	THE COMPANY As Trustee	WILLIAAM COX Beneficial
Lord Catto	290,500	1,743,971	2,000
W. E. Catto	150,300	31,600	2,000
P. J. Q. Back	—	—	1,609
Sir Henry Birkmyre, Bart.	45,000	—	—
R. D. Hempson	—	—	—
Sir Denys Lowson, Bart.	1,000	—	—
C. H. F. Pierrepont	9,010	—	—
C. F. M. Rawlinson	—	—	—
Sir Alexander Sim	12,640	—	—
C. I. Turcan	15,940	—	—
	925,410	1,775,571	5,600

(b) None of the Directors of the Company has a service agreement with the Company or any of its subsidiaries.

(c) Lord Catto and Mr. C. F. M. Rawlinson are Managing Directors of Morgan Grenfell & Co. Limited which will be receiving a fee for its services in connection with the acquisition of Y.C. and which is beneficially interested in 632,000 Ordinary shares in the Company.

(d) The total fixed fees to which the Directors are entitled are £10,500 per annum. In addition, Messrs. W. E. Catto, C. I. Turcan and P. J. Q. Back are entitled to remuneration for their services as executives within the Group which in the year ended 30th June, 1971, aggregated £25,775.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due		Stock	Closing Price £	When last xd	Yield Interest £	Yield Redmp. tion £
"Shorts" (Lives up to Five Years)						
16F.	15A.	Conv. 6pc 1972	100½	8.7	5.87	4.62
1P.	8A.	Gas 4pc 68-72	99⅛	2.7	4.03	4.83
8F.	8A.	Exchequer 6½pc 1972	101⅛	2.7	6.17	4.77
15J.	15J.	Exchequer 6¾pc 1973	108	8.6	6.62	6.06
1A.	1D.	Electric 3pc '68-73	87⅛	25.6	3.09	6.00
1A.	1O.	Transport 3pc '68-73	87⅛	28.8	3.09	6.00
10J	10D	Treas. 6½% 1973	99⅛	—	6.27	5.40
15J.	15D.	Conv. 5¼pc 1974	98⅛	16.6	5.34	6.21
10M	10S	Treas. 5½% 1974	86⅞	—	5.87	5.91
11J.	11D.	Treasury 6¾pc 1974	102⅛	6.6	8.61	8.97
15F.	15A.	Savings 3pc '65-75	21⅛	8.7	5.27	5.39
—		Treas. 6% 1975●	99⅛	—	6.03	6.11
1M.	1S.	Exch. 6½pc 1976	100⅛	26.7	6.48	8.28
15P.	15A.	Treasury 6½pc 1976	100⅞	8.7	6.45	5.28
1M.	1S.	Victory 4pc 1976	87½	26.7	4.10	8.11
Five to Fifteen Years						
1M.	1N.	Funding 4pc '60-90	87¼ xd	27.9	4.10	5.07
10M	10S	Treas. 6½% 1977	100	—	8.28	6.34
15M.	15S.	Electric 3pc 1974-77	22¾	6.8	3.35	5.24
20J.	20D.	Transport 4pc '72-77	90⅝	14.6	4.47	6.05
26M.	26S.	Exchequer 6pc '76-78	22¼	20.8	5.43	5.43
26M.	26S.	Electric 4¼pc '74-79	87⅞	20.8	4.84	6.23
15M.	15N.	Do. 3½pc '76-79	68	8.4	4.12	2.10
15J.	15O.	Treasury 3½pc '77-80	83⅞	10.5	4.23	6.09
15J.	15D.	Funding 5¼pc '78-80	93⅛	10.5	3.74	6.33
15F.	15A.	Treasury 3½pc '79-81	81⅝	9.7	4.61	9.17
16J.	16J.	Do. 8¼pc '80-82	107	8.8	8.11	7.67
15J.	15J.	Funding 5½pc '82-84	88⅞	6.9	6.28	7.03
10J.	10J.	Treasury 6½pc '84-86	105	6.7	9.27	8.13
Over Fifteen Years						
1M.	1N.	Funding 6½pc '85-87	87⅝ xd	27.8	7.38	7.85
1J.	1J.	Transport 3pc '78-88	63⅛	25.5	4.91	6.91
15A.	15O.	Treasury 5pc '86-89	73⅜	8.5	6.78	7.73
—		Treasury 6¾pc '87-90●	27⅞	—	9.60	9.59
5A.	5O.	Funding 5½pc '87-91	78⅝	1.9	7.34	7.96
15M.	15S.	Funding 6pc 1993	79	6.8	7.76	9.22
17M.	17N.	Treasury 8pc 1994	105¾	15.4	8.76	8.67
1M.	1N.	Gas 3pc '90-95	53¼ xd	27.9	5.56	7.03
15M.	15S.	Treas. 9pc '92-6	103⅝	6.6	9.76	8.71
1A.	1O.	Redp 3pc '86-96	55	25.8	5.46	6.76
1M.	1S.	Treasury 6½pc 1997	102⅛	26.7	9.65	8.63
—	—	Treas. 6½pc 1997 "A"	108⅞	—	8.62	8.67
1M.	1N.	Treasury 6¾pc '95-98	82½ xd	27.9	8.16	8.37
14J.	14J.	Funding 3½pc '99-04	61¾	7.0	6.88	7.57
10M.	10S.	Treasury 5½pc '08-12	68½	4.8	9.08	9.23
Undated						
F.1	1A.	Consols 4pc	47⅛	26.6	8.61	—
1J.	1D.	War Loan 3½pc	42⅛	26.4	8.48	—
1A.	1O.	Conv. 3½pc '61 Aft.	41¼	25.6	8.30	—
5A.	5O.	Treasury 3pc '66 Aft.	34½	1.9	2.71	—
5J.A.	J.O.	Consols 2½pc	29¼	1.9	8.26	—
1A.	1O.	Treasury 2½pc	22¼	25.8	2.36	—

●"Tap" Stocks

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BANKS AND HIRE PURCHASE

†† Banks, etc.

Hire Purchase, etc.

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DRAPERY AND STORES—Continued

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ENGINEERING AND METAL

ENGINEERING AND METAL—Gen. Cont.

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HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscell.)

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INDUSTRIAL (Miscell.)—Continued

INSURANCE

PROPERTY—Continued

TEXTILES—WOOL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS, FINANCE, LAND—Continued

Dividends Usually Paid		Stock	Closing Price pence	When last xd	Div. % or amount	Times Covered	Gross yield %	P/E Ratio
Sept.	Feb.	River Plate Def	221	28.7	57	1.1	3.5	23.7
Apr.	Nov.	Robeco(Br) F150	234	20.8	25.2	1.0	4.0	25.8
Apr.	Oct.	Do. SubSh's F15	540	20.8	25.2	1.0	4.0	25.9
Sept.	Mar.	Rolinco NV F150	£24¼	9'70	3	1.3	1.4	51.0
Sept.	Mar.	Do. SubSh's F15	242	9'70	6	1.3	1.4	51.0
Aug.	Mar.	Romney Trust	88	28.7	11	U1.0	3.1	31.2
Oct.	Apr.	Rosedim Inc.	58½	20.8	14½	1.0	2.9	14.3
Oct.	Apr.	Do. Capital	156	—	—	—	—	—
Dec.	Sept.	Rothschild In£1	468	28.7	8½	U1.1	1.8	53.0
Aug.	Apr.	Safeguard Ind.	60½	17.5	13	1.0	2.2	13.4
Aug.	June	St. Andrew	214	12.7	29	1.1	3.4	27.1
July	Jan.	Sceptre Inv.	66	28.6	7½	1.0	2.8	39.2
June	Jan.	Scientific&Elec.	40	28.5	6½	0.9	4.1	26.5
July	Mar.	Scot Am Inv (50p	119½	14.6	7	01.0	2.9	36.7
Sept.	Apr.	Scot. East. Inv.	126	28.8	13	1.1	2.5	35.7
July	Jan.	Scottish Inv.	107	28.6	8.2	1.1	1.9	47.3
Nov.	June	Scot. Mort. & Tst.	115	8.5	12	1.1	2.6	34.0
June	Dec.	Scot. National	127	28.5	14	1.1	2.7	34.2
Sept.	April	Scot. Northern	105	12.7	12	1.0	2.2	52.8
Nov.	Aug.	Scot. Ontario	108	17.5	11	1.2	2.5	33.4
Aug.	Mar.	Scot. Utd. Inv.	94½	28.7	10	U1.0	2.7	35.7
Sept.	April	Scot. Western	102½	21.6	8½	1.1	2.2	41.0
—	—	Do. "B"	103	—	—	—	—	—
June	Dec.	Sec. Cons. Tst.	124	3.8	18.3	1.2	3.7	25.2
Jan.	Nov.	Sec. Grt. Nthn.	28	26.7	7.6	1.0	2.1	43.2
—	—	Do. "B"	25	—	—	—	—	—
July	Jan.	SecLn Scot. Am.	143	14.6	12	1.1	3.3	27.3
June	Dec.	Sec. Scot. Inv.	103½	3.5	7½	1.1	1.2	60.3
Dec.	June	Sec. Tst. Scot.	164	3.6	24	1.0	3.6	25.6
Dec.	June	Sphere Inv.	95½	28.5	2.2	1.1	2.4	35.3
Dec.	June	SPLIT Inc. (10p)	118½	—	77.3	—	6.5	—
—	—	Do. Cap. (10p)	105	—	—	—	—	—
Sept.	Mar.	Standard Tst.	133	28.7	17	1.1	3.2	28.4
January		Stanhope Tst (£2	550	24.12	10c	—	0.7	—

TEAS—Continued

India and Pakistan (cont.)

Dividends Usually Paid		Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross yield %
—		Scottish Assam (£1)	28	8'65	—	—	—
Mar.	Oct.	Singlo (10p)	5¾	8'68	—	—	—
May	Nov.	South'n India (£1)	35	2.11	2½	U1.5	6.2
Sept.	Mar.	Travancore (£1)	200	9.8	20	1.9	10.0
November		Warren Tea (£1)	52 xd	4.10	5	ϕ	11.3
November		West Dooars (£1)	33 xd	4.10	4	ϕ	7.5
Mar.	Sept.	Williamson (£1)	77	28.8	8	ϕ	10.4

Ceylon—

Dividends Usually Paid		Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross yield %
Mar.	Dec.	Bogawantalawa £1	52	16.11	10	1.0	18.9
April		Central Prov.	7	18.4	5	U1.9	17.9
Apr.	Aug.	Ceylon Plants (£1)	180	12.7	20	1.0	11.1
April		Demodera	49	0'68	—	—	—
October		Dimbula Valley £1	40	5.10	3	2.3	7.5
May	Sept.	Galaha (20p)	6	25.1	4	U1.5	13.3
November		Gen. Ceylon (10p)	3¼	19.10	2	U1.5	3.0
—		Halcyon Inv (10p)	81	—	4	—	1.9
May		Lanka (£1)	32	10.4	5	1.2	9.2
May		Lunuva (£1)	48	28.6	3	1.3	6.2
July		Nuwara Eliya (£1)	25	5.10	2½	9.2	10.0
September		Ouvah High £1	41	28.8	3½	1.2	8.5
Oct.	Apr.	Polmadulla £1	120	28.8	18	1.2	15.0
July		Rajawella Hdg. 50p	11	5'73	B—	—	—
April		Rosehaugh	11½	15.2	3	0.4	13.2
—		Scot. Ceylon	1	2'66	—	—	—
April		Scot. Tea & Lds £1	15½	1'70	2½	1.4	16.3
August		Standard £1	34	26.7	3	1.3	9.3
—		Tea Corporation	3½	10'65	—	—	—

MINES—CENTRAL RAND

Dividends Usually Paid		Stock	Closing Price pence	When last xd	Div. % or amount	Times covered	Gross yield %
Aug.	Feb.	Durban Deep (R1)	70	28.6	14c	2.0	[illegible]
Aug.	Feb.	East Rand Prp. (R1)	73	28.6	4c	9.4	[illegible]
August		Lolpaards Vl. 10c	29	28.6	2c	4	4.0

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

Finance, Land, etc.

UTILITIES

OILS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

COPPER

MISCELLANEOUS

For Notes, see Page 29

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Lombard

A bigger say for "ordinary people"

BY C. GORDON TETHER

OF ALL the protest movements that have come into being since the world began to think more fundamentally about the direction in which it is travelling, none is surely more worthy than that which insists that greater regard must be paid in future to the feelings of the mass of the people—and correspondingly less to experts whose ideas are all too often apt to take us in the wrong direction. What a great pity it is that so many of the hot gospellers of the new religion are displaying such a marked disinclination to practise what they preach.

"In future we should be wary of the vanity of experts and not be afraid to protest." So wrote recently a national newspaper which has always insisted that Mr. Heath was right not to be deterred by public hostility from taking Britain into the Common Market. "We should always," it went on, "demand to see the figures and examine them very carefully since they are very often on the side of modesty, conservation and the rehabilitation of what exists and what is loved."

Thrilled

This was the moral it had drawn from a Government-sponsored survey which suggested that children reared in costly high-rise flats are more prone to crime and less keen on schooling than others. And it was so thrilled with its discovery that ordinary folk should count that soon afterwards it brought the matter up again in connection with our decimalisation difficulties.

What had happened, it maintained, was the outcome of Whitehall's decision to accept expert advice to base the new set-up on the old £. And the warning this contained for all Governments was "to pay more attention to what ordinary people think and less attention to experts."

There is no difficulty in seeing that such sermonising has the greatest relevance to the question of whether Parliament has the right to drag the British people into a major European involvement against its will—and as the outcome of the BBC's recent mammoth TV debate showed, it is next to impossible to raise the proportion of people in favour beyond a third, even when pro-Marketeers are given the fullest freedom to develop their case.

Split minds

After all, in this case, too, important figures are being withheld, so that there is no opportunity "to examine them carefully." And great reliance is being placed on expert views—for example on the CBI's assessment of the likely consequences of entry for Britain's economic life—to justify flying in the face of public opinion.

Yet there are no signs that this convert to the theme that ordinary people may know best is re-examining its attitude to the question of the part that the public's wishes should play in the EEC debate. And a similar split-mindedness can be detected among those pro-Marketeers who have recently been attacking—and certainly not without cause—the economists on the grounds that their current obsession with material growth is inimical to the true interests of the peoples they are supposed to be helping.

How, one might well ask, can they be so sure that their own expertise on the EEC issue is so superior to that of the economists in relation to growth that it is all right for them to want to impose their will on an unwilling public?

Supreme folly

In short, it is simply not good enough to insist that expert opinions must be treated with the greatest suspicion when they are not to your taste and accepted more or less unreservedly when they happen to run parallel to your own ideas. And, surely, if there was ever a matter wherein it was particularly important "to pay more attention to what ordinary people think and less attention to the experts," it is that involving British entry into the EEC.

As the Investors Chronicle observed after examining an authoritative investigation of the prospects for British industry within an enlarged EEC, if entry is a success, it will be a triumph of hope over experience. Needless to say, hope is going to start under a considerable handicap if the adventure cannot count on the willing co-operation of all sections of the people.

Again, if there is one thing the Ulster holocaust teaches us, it is the supreme folly of trying to integrate peoples who have different ideas.

THE LEX COLUMN

Confectionery in the Common Market

One of the few major groups represented at a symposium on the U.K. food industry in the Common Market, organised by brokers James Capel last week, which was able to point to actual achievement rather than vague hopes was Rowntree Mackintosh. The EEC accounted for a third of group sales growth between 1968 and 1970: this year, it will contribute something approaching one-sixth of total sales, or very roughly £20m. against under £12m. in 1970.

Promotion costs

The European entry fee was substantial, given the cost of setting up manufacturing and distribution systems and the fact that promotion for a brand in the early stages of its launch may cost two or three times the eventual budget per ton of sales: product development and test marketing come on top of that. Rowntree's EEC operation moved into the black in 1968, but pre-tax profit margins are still significantly below the group average of 5¾ per cent. over the past three years at, say, 3 per cent.

At the end of 1970, perhaps one-fifth of group plant and machinery was situated in Europe, and that proportion may have been increased by the formation of a joint company for the operation of the Menier chocolate business in Paris. At the moment, the EEC sales force totals about 130, approaching half the U.K. force in number and rather more than that in potential, since wholesaling—rather than direct deliveries—is much more important in Europe than the U.K. (although that also means more effort in terms of point of sale material and so on).

Plainly this operation can support a usefully greater volume of sales than it is currently getting: only four of the group's main "count" lines are produced in Europe, and that excludes major brands like Aero, Rolo, plus the fruit gums and pastilles. Moreover EEC confectionery consumption is expanding fast, with the total volume of sales up by over half during the 'sixties when U.K. consumption was static at best. After taking in other overseas interests, the dull U.K. market now accounts for under two-thirds of Rowntree's sales: combine that with the operational gearing in Europe and we get one reason why the shares have more than held their big jump following the revised profits forecast last month, with a prospective p/e of perhaps 14½ at 630p.

Europe has much less to offer the Cadbury Schweppes confectionery side: now that it has been squeezed out of its German manufacturing operation, largely by a price war, sales are now confined to franchise operations and direct exports, which are insignificant in group terms. Of more direct relevance is the European soft drink market, which CS expects to grow by 70 per cent. between 1970 and 1975 at current prices; it reckons its own sales there will multiply 2½ times over in the same period, the major part coming under franchise arrangements.

Derek Crouch

Not so long ago, NCB suppliers could only be sure of sympathy, and a near-disaster rating in the stock market. This year, with the sudden turnround in coal industry prospects, they are back in a growth phase with *Mining Supplies* up *230* per cent. from its 1971 "low" and Dobson Park up 124 per cent.; but that still means p/e's of 10.6 (historic) and 9.3 (prospective), a measure of the caution that exists when a customer is both dominant and politically vulnerable.

Against this background Hill Samuel's offer for sale of 1.85m. shares in Derek Crouch (Contractors), an opencast mining specialist, needs to show that both the company and its area of operations are less vulnerable than the average NCB-orientated business; by and large, it does so successfully. The last NCB accounts show that while only 8.3m. tons of coal were mined opencast, against 133.3m. tons from deep mining, operating profits were £16.4m. out of an NCB total of £34.6m. What is more, the NCB has stressed the need to expand opencast output to at least 10m. tons per annum in order to replenish its stocks, down 57 per cent. in 1970-71.

As for Crouch itself, the group has the virtue of consistency with profits of £808,000 before tax, against £452,000 last year and the forecast of £1.1m. for the current year. It is an acknowledged leader in opencast mining contracting, and must be planning to capture a large slice of the planned NCB expansion; it is noticeable that the company has recently secured three contracts lasting between two and 14 years, the total value being £28.7m. against opencast mining turnover of £6.8m. last year.

Clearing-up

So the growth is there, both past and prospective. The next question is whether Crouch can cope with it. It has had to gear itself up by investing £7.4m. on new plant—including £2.3m. on "Big Geordie," a giant dragline excavator—over the past three years or so; by end-June last this had left it with a net working capital deficit of £¾m. and an overdraft of £1.7m. However, the word is that there is little need for any further major capital expenditure in the short term, the overdraft had come back to £1.4m. at the beginning of this month and with a £1m. cash flow it is expected to be "substantially reduced" from that level in the next fifteen months.

The case, then, is made for a premium over other NCB suppliers, and Hill Samuel is relying on it with Crouch coming out on a prospective p/e of 11.3. However, the potential premium over that may be limited in the short term. Crouch's ambition is to expand from its specialist base into related fields; there is a blueprint for that in the recent performance of Leonard Fairclough: but considering that Fairclough is up from a "low" of 115p this year to its current 272p, has overcome market worries about its durability and still stands on a prospective p/e of only 14, Crouch seems bound to go through a period of proving its point.

See also Page 26

Faulkner warns of 'war weariness' in U.K.

BY JOHN GRAHAM

BELFAST, Oct. 10.

MR. BRIAN FAULKNER, Prime Minister of Northern Ireland, this week-end appealed yet again for unity in his party and warned of the increasing danger of "war weariness" among the British people.

He said that one of the main objectives of the terrorists' campaign was to produce a feeling of disgust and impatience in England. This could lead to political pressure "to abandon Ulster to a chaotic fate and seek disengagement at any price."

"Tribal war"

Such appeals and such warnings are becoming a more frequent theme with Mr. Falkner, and show how anxious he and other members of his Government are that Britain should continue to give him full support.

A British citizen, he explained, might have the horror of the whole thing brought home to him by the murder of a soldier from his own home town. He would ask himself: "Why should our boys risk their lives over there? Why should we be involved in a sordid Irish tribal war?"

The answer, said Mr. Faulkner, was to convince the citizens of Britain that the British public must continue to help Northern Ireland and that Northern Ireland deserved such help.

"Anyone who reads the editorial comments of the influential British Press will see that the Unionist position and the difficulties to be faced in Northern Ireland are now much better understood," said the Prime Minister. "I am convinced that this trend of enlightenment can be continued, so that the average citizen in Britain can be identified with us.

"Unionists must be the backbone of that community with which our cross-Channel friends can identify, and we must present a united front of people who are not only determined and resolute but reasonable and conciliatory."

Even as Mr. Faulkner was making his appeal, one of his most powerful opponents, Mr. William Craig, a former Unionist Minister, was striking a different note. He told a Unionist meeting that the province had almost reached the turning point and that he could see an awakening of the real stuff of which Ulster people are made.

"It will only be a matter of months" he said, "before you have to face the crunch and you must not surrender to accept an Irish Republic as inevitable. You will have to find out how to mobilise the strength of the loyalists and find positive proposals to recover those things which have been lost, including control of internal security, from Stormont.

"It will be necessary to restore the Unionist Party to what it was under Carson and Craigavon."

While this political battle continues within the Unionist Party, the British Army to-day claimed several successes. They said they had found a large quantity of bomb-making equipment, including more than 200 detonators, more than 300 feet of fuses and quantities of explosives, incendiary devices, and relay switches.

They also said they have made some important arrests of wanted men in the last few weeks. Three more were detained to-day, and in the last seven days the Army and police between them have detained about 30 IRA suspects.

The IRA, meanwhile, claims that its top leaders are still free and biding in various parts of the province.

This week-end one woman died when a Belfast pub was destroyed by a bomb. The police reported about half a dozen other explosions most of them small, and Army patrols were fired on about three times, without any casualties.

The wrecked pub was owned by a Catholic, and most of its clientele was Catholic. The police so far have no theory about who placed the bomb, but they do admit the possibility that it was in retaliation for the Protestant pub that was blown up in the Shankhill Road nearly two weeks ago.

New stage

If this is the case, then the working-class Protestants, possibly through the mysterious organisation known as the Ulster Volunteer Force, may have begun to fight the war openly themselves.

If it was in any way responsible for the explosion on Saturday night, if also the blowing up of a water pump house last week serving Catholic housing estates was also the work of Protestants, then the struggle for this province has entered a new stage.

Ulster Republicans study plans for Stormont's revival, Page 8

CBI forming special group to examine details of VAT

BY DAVID WALKER

THE Confederation of British Industry is to establish a special committee on Value Added Tax to examine its general shape, including the number and level of the rates of tax and their coverage.

Announcing that this morning, the CBI reveals that three "important points of principle" have arisen in its six months of discussions on VAT with the Customs and Excise since plans to introduce the tax in 1973 were disclosed.

"First, the CBI believes that the wide range of items with both business and private use which the Customs and Excise is currently proposing to disallow for credit purposes represents a substantial departure from VAT principles of neutrality," it states.

"The CBI considers it wrong to disallow the whole of a legitimate expense merely to forestall possible evasion of a small part of the sum at issue.

"Secondly, the CBI will be pressing strongly for relief to be given for bad debts.

"Thirdly, the CBI is concerned about the substantial amount of double taxation that would result if relief were not given for purchase tax already paid on stocks of goods held at the changeover to VAT.

"Even if it is not possible to provide relief with 100 per cent. accuracy, any revenue loss could well be less than the resultant loss to the Exchequer from the running down of stocks prior to the introduction of VAT."

The CBI also reveals that it has pressed the Customs and Excise to adopt "a flexible approach" toward group registration so that "unnecessary" problems arising from the levying of VAT on inter-group transactions can be avoided.

Companies using four- and five-weekly accounting periods rather than monthly accounting, it urges, should be able to account for VAT on the same basis. It has also called for the VAT legislation to specify a tax documentation retention period of at most two years, thus cutting down companies' storage costs.

In addition, the CBI voices concern about liquidity problems which could hit companies with special cash-flow positions. Those, it suggests, should be able to opt for a longer tax period than the three months which is likely to be the standard.

Most small companies, the CBI Smaller Firms Council working party on VAT has predicted, will want to be within the VAT credit mechanism.

Because of that, the confederation urges, the cut-off rate below which traders would not need to register ought to be a taxable turnover of £10,000 a year. Any trader below that limit, it says, should be free to register if he wishes to do so.

Continued from Page 1

Concessions bring UCS hopes

But as his agreement with the unions is now firmly on a three-unit basis and as he is talking of a "substantially larger" work force than originally envisaged for the Upper Clyde operation, it now seems that Mr. Davies will on Tuesday be confronted with a proposition not so far foreseen.

This is almost certain to be so, though Mr. Stenhouse emphasised that Mr. Davies had promised to give "sympathetic consideration" to the inclusion of Scotstoun when they met at the latter's Knutsford, Cheshire, constituency nine days ago.

Mr. McGarvey, who appears to have convinced his local union colleagues, including the shop stewards, of the wisdom of abandoning their all-four-yards-or-nothing attitude during an hour-long adjournment, said after the meeting that the problem was now entirely in Mr. Davies's lap.

He recalled that last Tuesday the Minister had put the onus similarly on the unions. Now, he said, "if he were to give either suitable guarantees to Irish Shipping or authorise the liquidator to proceed with the ships, we on our part shall be willing to enter into meaningful discussions with Mr. Stenhouse's Govan - Linthouse - Scotstoun group."

He added: "It could be a test of his sincerity that he wants shipbuilding to continue on the Upper Clyde."

Mr. McGarvey added that he would report to his colleagues both on the confederation and the joint union executives immediately following next Tuesday's meeting. Discussions with Govan Shipbuilders could also start almost immediately.

Recalling last Tuesday's meeting, Mr. McGarvey said that Mr. Davies had appeared "as anxious as we are" to solve the Upper Clyde problem.

On his part, Mr. Stenhouse (who will be available for consultation at Tuesday's talks as will be Mr. Smith and Irish Shipping) is now armed with the assurances of union co-operation which was one of the three major conditions laid down by Mr. Davies for providing Government finance for the new company.

The upshot of it is that, if agreement can be reached on *Tuesday* about the Government guaranteeing the Irish Shipping contracts, the Govan Shipbuilders' executives (now including Mr. Kenneth Douglas as deputy chairman) can go ahead and search for further orders and also try to renegotiate contracts for the remaining ten ships placed with UCS before liquidation but not yet started.

MAM and Wyndham form joint company

By Arthur Sandles

HOWARD and Wyndham is forming a joint company with Management Agency and Music to consolidate and expand the joint theatrical production activities of the companies. The new venture is to be called Wham Enterprises.

Announcing the new company, Mr. Gordon Mills of MAM and Mr. Ralph Fields, of Howard and Wyndham, said Wham would "continue and extend the joint theatrical productions already promoted by the two companies both in the West End of London and in the provinces."

The companies are currently involved in the joint presentation of productions in Glasgow, Manchester, Norwich and Oxford.

Further co-operation could well follow. "Joint ventures in other fields of the leisure industry may also be pursued jointly through Wham Enterprises," said Howard and Wyndham.

When pressed to define "leisure" only a few days ago, Mr. Gordon Mills had some difficulty in setting limits. In the end, he said: "We are interested in anything that will make money."

New P & O passenger division

By James McDonald

THE P & O GROUP'S new passenger shipping division—one of five operating divisions formed this year under a major re-organisation which will lead to the abolition of many traditional company names within the group—has become operational.

The division controls 13 large passenger *ships ranging in size* from 45,000 gross tons to 14,000 tons and with a total passenger capacity of nearly 17,000. The fleet, claimed to be the largest in the world, includes nine existing P & O liners; two ships under the British India flag—Nevasa and Uganda; and the Cathay and Chitral—both of the Eastern and Australian line.

Chief executive of the passenger division will be Mr. Peter E. Parry. Under him will be five executives: Mr. J. G. Davis, general marketing manager; Mr. H. F. Spanton, fleet manager; Mr. A. M. Stirling, development manager; Mr. M. T. Polney, financial *controller; and* Mr. W. A. Mackenzie, scheduling manager.

Thomson may order European airbus

BY ARTHUR SANDLES

CANNES, Oct. 10.

The Thomson Organisation's travel interests are exploring the *possibility* of ordering the European A-300B airbus for U.K. charter work. The airbuses would be owned by Britannia Airways and used for Thomson Sky Tours traffic as well as other charters.

While most delegates to the Association of British Travel Agents' conference here in Cannes were relaxing and enjoying the sunshine a group of Thomson executives quietly slipped off to Toulouse in a Hawker Siddeley private jet to see the airbus under construction.

Mr. Bryan Llewellyn, managing director of Thomson Holidays, *said that* with the increase in inclusive charter holidays now handled by the company, the airbus could fulfil the requirements of the tour operator in the mid-seventies. Thomson is number two to Clarksons in the British tour operating league.

Logical

"Next year we expect to carry over half a million passengers to Europe and Jamaica with Britannia Airways' fleet of Boeing 737 and 707 aircraft," said Mr. Llewellyn. "Maximum aircraft capacity is at present 189 passengers on board the 707. Boeing 747 aircraft have been landing in Majorca on inclusive tour charters since May, and the use of a 300-seater aircraft represents a logical development in the field of charter flying.

"Our organisation does not at present hold an option on the airbus but we are interested in its development providing the problems of utilisation can be solved. We must all avoid the same mistakes of over-capacity made by scheduled airlines in buying new technology for the sake of it rather than for sound business reasons."

The 300-seater airbus—which uses Hawker Siddeley wings, German VFW-Fokker and MBB fuselage and twin General Electric CF6 engines—is being assembled by Aerospatiale, and has been specifically designed to meet the requirements of both scheduled and charter service airlines.

The aircraft has a range of 1,500 miles which is just about right for the bulk of Britain's package tour market, concentrated as it is on the South of Spain, North Africa and the Central Mediterranean.

At the moment most of the U.K. package market is carried in BAC 1-11s, Boeing 727s and 737s and Comets. Some use has been made recently of 707s and the Trafalgar House subsidiary, Sunair, last week unveiled the charter of BOAC jumbos.

The European airbus is still being assembled and the prototype is not due to fly before the end of 1972 or early in 1973. It is not expected to enter service until late 1974 or early 1975.

The cost of the aircraft is still notional, therefore, and the price has yet to be agreed between the manufacturer and airlines. No firm orders have yet been placed for the A-300 B although there are several options. At current prices the cost might be in the region of U.S.$15m. per aircraft.

Competitive

It is of interest that the European airbus could become competitive for British package tour operators with the American Lockheed TriStar. Court Line, which flies many of Clarksons' package customers, announced at the end of last month that it had resumed discussions with Lockheed Aircraft Corporation on the possible purchase of two TriStar aircraft, with an option on another three.

The travel industry conference which opens its business session here to-morrow will be using the theme "formula for the future" and will thus be discussing both the equipment and the economics of tour operating in the 70s.

Over the past few years the strain of the massive expansion in package tourism has begun to tell, both on profit margins and relationships between the separate parts of the industry.

The conference lasts until Wednesday evening.

Engine mounting warning for 5m. GM cars

BY JUREK MARTIN

NEW YORK, Oct. 10.

MORE than 5m. cars produced by General Motors, the largest U.S. car company, may be potentially dangerous because of defective engine mountings, according to an agency of the Federal Government in Washington.

The National Highway Traffic Safety Administration has apparently already decided to issue shortly a consumer bulletin warning owners of the affected cars of the dangers they may be running. The agency does not have the power to order General Motors to recall the cars, but, according to reports, GM is already paying for repairs necessitated by the defect and may therefore be already committed to a de facto, if not de jure, recall.

GM has so far made no formal comment on the situation, other than to say that it already has come up with a device to check if deterioration of the engine mounting, along with another fault, rusting frames on large Chevrolets made in 1965, has reached dangerous proportions.

According to the government, no deaths have so far been attributable to this particular fault, though there have been reports of injuries. Mr. Douglas Toms, head of the agency, said his department had investigated about 30 cases involving engine mount failures; he acknowledged that his inquiries had been spurred by pressure from the noted consumer advocate and old-time foe of General Motors, Mr. Ralph Nader.

Control loss

Specifically, the cars affected are 4.9m. full-sized Chevrolets made between 1966 and 1969 and some 700,000 smaller GM Camaros. The engine mount failures appear to occur when a layer of rubberised plastic, which is placed between two pieces of steel in the engine mount, becomes separated from the steel—either through the failure of its own adhesive power or, on occasions, as a result of excessively hot weather. Technically, if the engine mounts fail there is nothing connecting the engine to the body of the car and, although the engine may not fall out completely, all driver control is invariably lost.

Weather

U.K. TO-DAY

A strong S.W. airstream covers the British Isles. There will be showers or longer periods of rain in most districts, more especially in N. and W. Some S.E. districts, however, may remain mostly dry. Temperatures will be generally near the seasonal normal, and winds will be strong to gale force in N. and W.

London, S.E., Cent. S. England
Variable cloud. Some sunny intervals, perhaps some rain. Wind S.W. moderate to fresh, strong locally. Max. 15C (59F).

E. Anglia, E. England, E and W. Midlands
Rather cloudy, some bright intervals. Rain at times. Wind S.W., fresh or strong. Max. 15C (59F).

Channel Isles
Dry with sunny spells. Wind S.W. fresh or strong. Max. 17C (63F).

S.W. England, S. Wales
Rather cloudy with some rain or drizzle. Hill and coastal fog. Wind S.W., fresh or strong. Max. 14C (57F).

N. Wales, N.W. England, Lakes, I. of Man, N. Ireland, S.W. Scotland, Glasgow
Showers or outbreaks of rain. Some sunny intervals. Wind S.W., fresh or strong, gale locally. Max. 14C (57F).

N.E. and Cent. N. England, Borders, E. Scotland, Edinburgh, Dundee
Showers and sunny intervals. Wind S.W., fresh or strong. Max. 13C (55F).

Rest of Scotland
Showers or longer periods of rain, heavy at times. Wind S.W., fresh or strong. Max. 12C (54F).

Outlook: Showers and sunny intervals but more continuous rain in S. at first. Temperatures below normal.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	S	18	64	Madrid	S	21	[illegible]
Bahrain	R	29	84	Manchstr.	C	17	[illegible]
Beirut	S	27	81	Melbourne	C	[illegible]	[illegible]
Belfast	R	16	61	Milan	S	20	[illegible]
Belgrade	S	21	70	Montreal	R	14	[illegible]
Berlin	S	16	61	Moscow	R	6	[illegible]
Birmghm.	F	17	63	Munich	S	17	[illegible]
Bristol	C	18	64	Newcastle	C	16	[illegible]
Brussels	S	17	63	New York	R	19	[illegible]
Budapest	S	19	66	Oslo	F	14	[illegible]
B. Aires	S	18	64	Paris	S	21	[illegible]
Cairo	S	31	88	Prague	F	17	[illegible]
Cardiff	C	17	63	Reykjavik	S	-3	[illegible]
Cologne	C	18	64	Rio de J'o	S	28	[illegible]
Copnhagn.	F	16	61	Rome	S	20	[illegible]
Dublin	C	16	61	Singapore	S	31	[illegible]
Edinb'gh	R	16	61	Stockholm	C	[illegible]	[illegible]
Frankfurt	F	18	64	Strasbourg	F	21	[illegible]
Geneva	F	17	63	Sydney	C	22	[illegible]
Glasgow	R	15	59	Tehran	S	21	[illegible]
Helsinki	F	4	39	Tel Aviv	S	26	[illegible]
H. Kong	C	27	81	Tokyo	R	15	[illegible]
Jo'burg	S	17	63	Toronto	S	11	[illegible]
Lisbon	F	22	72	Vienna	S	19	[illegible]
London	C	18	64	Warsaw	C	16	[illegible]
Luxembrg.	S	17	63	Zurich	S	19	[illegible]

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	24	75	I. of Man	C	15	[illegible]
Alxndria.	S	24	75	Istanbul	S	26	[illegible]
Algiers	C	22	72	Jersey	F	18	[illegible]
Athens	S	23	73	Las Plms.	F	26	[illegible]
Barcelona	S	21	70	Locarno	S	19	[illegible]
Biarritz	F	20	68	Luxor	S	37	[illegible]
Blackpool	C	15	61	Majorca	C	20	[illegible]
Bordeaux	C	20	68	Malaga	F	23	[illegible]
Boulogne	F	17	63	Malta	S	22	[illegible]
Casablanca	F	24	75	Nairobi	S	24	[illegible]
Cape Tn.	C	16	61	Naples	S	[illegible]	[illegible]
Corfu	S	21	70	Nice	F	22	[illegible]
Dubrovnik	S	21	70	Nicosia	S	26	[illegible]
Faro	F	26	79	Oporto	F	19	[illegible]
Florence	S	21	70	Rhodes	S	[illegible]	[illegible]
Funchal	F	24	75	St. Moritz	S	14	[illegible]
Gibraltar	S	23	73	Tangier	F	24	[illegible]
Guernsey	S	19	66	Tenerife	S	27	[illegible]
Innsbruck	S	18	64	Tunis	F	26	[illegible]
Inverness	R	16	61	Venice	S	18	[illegible]

S—Sunny. F—Fair. C—Cloudy. R—Rain. H—Haze.